

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

\_\_\_\_\_  
Date

Honorable David Dewhurst  
President of the Senate

Honorable Tom Craddick  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on S.S. 3 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

[Signature]  
Sen. [Name]

[Signature]  
Rep. [Name]

[Signature]  
Sen. [Name]

[Signature]  
Rep. [Name]

[Signature]  
Sen. [Name]

[Signature]  
Rep. [Name]

[Signature]  
Sen. [Name]

[Signature]  
Rep. [Name]

[Signature]  
Sen. [Name]

On the part of the Senate

[Signature]  
Rep. [Name]

On the part of the House

## Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

S.B. No. 3

A BILL TO BE ENTITLED

AN ACT

relating to the development, management, and preservation of the  
water resources of the state; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

## ARTICLE 1. ENVIRONMENTAL FLOWS

SECTION 1.01. The heading to Section 5.506, Water Code, is  
amended to read as follows:

Sec. 5.506. EMERGENCY SUSPENSION OF PERMIT CONDITION  
RELATING TO, AND EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET  
ASIDE FOR, BENEFICIAL INFLOWS TO AFFECTED BAYS AND ESTUARIES AND  
INSTREAM USES.

SECTION 1.02. Section 5.506, Water Code, is amended by  
adding Subsection (a-1) and amending Subsections (b) and (c) to  
read as follows:

(a-1) State water that is set aside by the commission to  
meet the needs for freshwater inflows to affected bays and  
estuaries and instream uses under Section 11.1471(a)(2) may be made  
available temporarily for other essential beneficial uses if the  
commission finds that an emergency exists that cannot practically  
be resolved in another way.

(b) The commission must give written notice of the proposed  
action [~~suspension~~] to the Parks and Wildlife Department before the  
commission suspends a permit condition under Subsection (a) or  
makes water available temporarily under Subsection (a-1) [~~this~~]

~~section~~]. The commission shall give the Parks and Wildlife Department an opportunity to submit comments on the proposed action ~~[suspension]~~ for a period of 72 hours from receipt of the notice and must consider those comments before issuing an order implementing the proposed action ~~[imposing the suspension]~~.

(c) The commission may suspend a permit condition under Subsection (a) or make water available temporarily under Subsection (a-1) ~~[this section]~~ without notice except as required by Subsection (b).

SECTION 1.03. Subsection (j), Section 5.701, Water Code, is amended to read as follows:

(j) The fee for other uses of water not specifically named in this section is \$1 per acre-foot, except that no political subdivision may be required to pay fees to use water for recharge of underground freshwater-bearing sands and aquifers or for abatement of natural pollution. A fee is not required for a water right that is ~~[This fee is waived for applications for instream-use water rights]~~ deposited into the Texas Water Trust.

SECTION 1.04. Section 11.002, Water Code, is amended by adding Subdivisions (15), (16), (17), (18), and (19) to read as follows:

(15) "Environmental flow analysis" means the application of a scientifically derived process for predicting the response of an ecosystem to changes in instream flows or freshwater inflows.

(16) "Environmental flow regime" means a schedule of flow quantities that reflects seasonal and yearly fluctuations that

1 typically would vary geographically, by specific location in a  
2 watershed, and that are shown to be adequate to support a sound  
3 ecological environment and to maintain the productivity, extent,  
4 and persistence of key aquatic habitats in and along the affected  
5 water bodies.

6 (17) "Environmental flow standards" means those  
7 requirements adopted by the commission under Section 11.1471.

8 (18) "Advisory group" means the environmental flows  
9 advisory group.

10 (19) "Science advisory committee" means the Texas  
11 environmental flows science advisory committee.

12 SECTION 1.05. Subsection (a), Section 11.023, Water Code,  
13 is amended to read as follows:

14 (a) To the extent that state water has not been set aside by  
15 the commission under Section 11.1471(a)(2) to meet downstream  
16 instream flow needs or freshwater inflow needs, state [State] water  
17 may be appropriated, stored, or diverted for:

18 (1) domestic and municipal uses, including water for  
19 sustaining human life and the life of domestic animals;

20 (2) agricultural uses and industrial uses, meaning  
21 processes designed to convert materials of a lower order of value  
22 into forms having greater usability and commercial value, including  
23 the development of power by means other than hydroelectric;

24 (3) mining and recovery of minerals;

25 (4) hydroelectric power;

26 (5) navigation;

27 (6) recreation and pleasure;



1 (7) public parks; and

2 (8) game preserves.

3 SECTION 1.06. Section 11.0235, Water Code, is amended by  
4 amending Subsections (b), (c), and (e) and adding Subsections (d-1)  
5 through (d-6) and (f) to read as follows:

6 (b) Maintaining the biological soundness of the state's  
7 rivers, lakes, bays, and estuaries is of great importance to the  
8 public's economic health and general well-being. The legislature  
9 encourages voluntary water and land stewardship to benefit the  
10 water in the state, as defined by Section 26.001.

11 (c) The legislature has expressly required the commission  
12 while balancing all other public interests to consider and, to the  
13 extent practicable, provide for the freshwater inflows and instream  
14 flows necessary to maintain the viability of the state's streams,  
15 rivers, and bay and estuary systems in the commission's regular  
16 granting of permits for the use of state waters. As an essential  
17 part of the state's environmental flows policy, all permit  
18 conditions relating to freshwater inflows to affected bays and  
19 estuaries and instream flow needs must be subject to temporary  
20 suspension if necessary for water to be applied to essential  
21 beneficial uses during emergencies.

22 (d-1) The legislature has determined that existing water  
23 rights that are amended to authorize use for environmental purposes  
24 should be enforced in a manner consistent with the enforcement of  
25 water rights for other purposes as provided by the laws of this  
26 state governing the appropriation of state water.

27 (d-2) The legislature finds that to provide certainty in

1 water management and development and to provide adequate protection  
2 of the state's streams, rivers, and bays and estuaries, the state  
3 must have a process with specific timelines for prompt action to  
4 address environmental flow issues in the state's major basin and  
5 bay systems, especially those systems in which unappropriated water  
6 is still available.

7 (d-3) The legislature finds that:

8 (1) in those basins in which water is available for  
9 appropriation, the commission should establish an environmental  
10 set-aside below which water should not be available for  
11 appropriation; and

12 (2) in those basins in which the unappropriated water  
13 that will be set aside for instream flow and freshwater inflow  
14 protection is not sufficient to fully satisfy the environmental  
15 flow standards established by the commission, a variety of market  
16 approaches, both public and private, for filling the gap must be  
17 explored and pursued.

18 (d-4) The legislature finds that while the state has  
19 pioneered tools to address freshwater inflow needs for bays and  
20 estuaries, there are limitations to those tools in light of both  
21 scientific and public policy evolution. To fully address bay and  
22 estuary environmental flow issues, the foundation of work  
23 accomplished by the state should be improved. While the state's  
24 instream flow studies program appears to encompass a comprehensive  
25 and scientific approach for establishing a process to assess  
26 instream flow needs for rivers and streams across the state, more  
27 extensive review and examination of the details of the program,

1 which may not be fully developed until the program is under way, are  
2 needed to ensure an effective tool for evaluating riverine  
3 environmental flow conditions.

4 (d-5) The legislature finds that the management of water to  
5 meet instream flow and freshwater inflow needs should be evaluated  
6 on a regular basis and adapted to reflect both improvements in  
7 science related to environmental flows and future changes in  
8 projected human needs for water. In addition, the development of  
9 management strategies for addressing environmental flow needs  
10 should be an ongoing, adaptive process that considers and addresses  
11 local issues.

12 (d-6) The legislature finds that recommendations for state  
13 action to protect instream flows and freshwater inflows should be  
14 developed through a consensus-based, regional approach involving  
15 balanced representation of stakeholders and that such a process  
16 should be encouraged throughout the state.

17 (e) The fact that greater pressures and demands are being  
18 placed on the water resources of the state makes it of paramount  
19 importance to ensure [~~reexamine the process for ensuring~~] that  
20 these important priorities are effectively addressed by detailing  
21 how environmental flow standards are to be developed using the  
22 environmental studies that have been and are to be performed by the  
23 state and others and specifying in clear delegations of authority  
24 how those environmental flow standards will be integrated into the  
25 regional water planning and water permitting process [~~to the~~  
26 ~~commission~~].

27 (f) The legislature recognizes that effective

1 implementation of the approach provided by this chapter for  
2 protecting instream flows and freshwater inflows will require more  
3 effective water rights administration and enforcement systems than  
4 are currently available in most areas of the state.

5 SECTION 1.07. Subchapter B, Chapter 11, Water Code, is  
6 amended by adding Sections 11.0236, 11.02361, 11.02362, and 11.0237  
7 to read as follows:

8 Sec. 11.0236. ENVIRONMENTAL FLOWS ADVISORY GROUP. (a) In  
9 recognition of the importance that the ecological soundness of our  
10 riverine, bay, and estuary systems and riparian lands has on the  
11 economy, health, and well-being of the state there is created the  
12 environmental flows advisory group.

13 (b) The advisory group is composed of nine members as  
14 follows:

15 (1) three members appointed by the governor;  
16 (2) three members of the senate appointed by the  
17 lieutenant governor; and  
18 (3) three members of the house of representatives  
19 appointed by the speaker of the house of representatives.

20 (c) Of the members appointed under Subsection (b)(1):

21 (1) one member must be a member of the commission;  
22 (2) one member must be a member of the board; and  
23 (3) one member must be a member of the Parks and  
24 Wildlife Commission.

25 (d) Each member of the advisory group serves at the will of  
26 the person who appointed the member.

27 (e) The appointed senator with the most seniority and the

appointed house member with the most seniority serve together as co-presiding officers of the advisory group.

(f) A member of the advisory group is not entitled to receive compensation for service on the advisory group but is entitled to reimbursement of the travel expenses incurred by the member while conducting the business of the advisory group, as provided by the General Appropriations Act.

(g) The advisory group may accept gifts and grants from any source to be used to carry out a function of the advisory group.

(h) The commission shall provide staff support for the advisory group.

(i) The advisory group shall conduct public hearings and study public policy implications for balancing the demands on the water resources of the state resulting from a growing population with the requirements of the riverine, bay, and estuary systems including granting permits for instream flows dedicated to environmental needs or bay and estuary inflows, use of the Texas Water Trust, and any other issues that the advisory group determines have importance and relevance to the protection of environmental flows. In evaluating the options for providing adequate environmental flows, the advisory group shall take notice of the strong public policy imperative that exists in this state recognizing that environmental flows are important to the biological health of our public and private lands, streams and rivers, and bay and estuary systems and are high priorities in the water management process. The advisory group shall specifically address:

1           (1) ways that the ecological soundness of those  
2 systems will be ensured in the water rights administration and  
3 enforcement and water allocation processes; and

4           (2) appropriate methods to encourage persons  
5 voluntarily to convert reasonable amounts of existing water rights  
6 to use for environmental flow protection temporarily or  
7 permanently.

8           (j) The advisory group may adopt rules, procedures, and  
9 policies as needed to administer this section, to implement its  
10 responsibilities, and to exercise its authority under Sections  
11 11.02361 and 11.02362.

12           (k) Chapter 2110, Government Code, does not apply to the  
13 size, composition, or duration of the advisory group.

14           (1) Not later than December 1, 2008, and every two years  
15 thereafter, the advisory group shall issue and promptly deliver to  
16 the governor, lieutenant governor, and speaker of the house of  
17 representatives copies of a report summarizing:

18                   (1) any hearings conducted by the advisory group;  
19                   (2) any studies conducted by the advisory group;  
20                   (3) any legislation proposed by the advisory group;  
21                   (4) progress made in implementing Sections 11.02361  
22 and 11.02362; and

23                   (5) any other findings and recommendations of the  
24 advisory group.

25           (m) The advisory group is abolished on the date that the  
26 commission has adopted environmental flow standards under Section  
27 11.1471 for all of the river basin and bay systems in this state.

1       Sec. 11.02361. TEXAS ENVIRONMENTAL FLOWS SCIENCE ADVISORY  
2 COMMITTEE. (a) The Texas environmental flows science advisory  
3 committee consists of at least five but not more than nine members  
4 appointed by the advisory group.

5       (b) The advisory group shall appoint to the science advisory  
6 committee persons who will provide an objective perspective and  
7 diverse technical expertise, including expertise in hydrology,  
8 hydraulics, water resources, aquatic and terrestrial biology,  
9 geomorphology, geology, water quality, computer modeling, and  
10 other technical areas pertinent to the evaluation of environmental  
11 flows.

12       (c) Members of the science advisory committee serve  
13 five-year terms expiring March 1. A vacancy on the science advisory  
14 committee is filled by appointment by the co-presiding officers of  
15 the advisory group for the unexpired term.

16       (d) Chapter 2110, Government Code, does not apply to the  
17 size, composition, or duration of the science advisory committee.

18       (e) The science advisory committee shall:

19           (1) serve as an objective scientific body to advise  
20 and make recommendations to the advisory group on issues relating  
21 to the science of environmental flow protection; and

22           (2) develop recommendations to help provide overall  
23 direction, coordination, and consistency relating to:

24                   (A) environmental flow methodologies for bay and  
25 estuary studies and instream flow studies;

26                   (B) environmental flow programs at the  
27 commission, the Parks and Wildlife Department, and the board; and

1                   (C) the work of the basin and bay expert science  
2 teams described in Section 11.02362.

3                   (f) To assist the advisory group to assess the extent to  
4 which the recommendations of the science advisory committee are  
5 considered and implemented, the commission, the Parks and Wildlife  
6 Department, and the board shall provide written reports to the  
7 advisory group, at intervals determined by the advisory group, that  
8 describe:

9                   (1) the actions taken by each agency in response to  
10 each recommendation; and

11                   (2) for each recommendation not implemented, the  
12 reason it was not implemented.

13                   (g) The science advisory committee is abolished on the date  
14 the advisory group is abolished under Section 11.0236(m).

15                   Sec. 11.02362. DEVELOPMENT OF ENVIRONMENTAL FLOW REGIME  
16 RECOMMENDATIONS. (a) For the purposes of this section, the  
17 advisory group, not later than November 1, 2007, shall define the  
18 geographical extent of each river basin and bay system in this state  
19 for the sole purpose of developing environmental flow regime  
20 recommendations under this section and adoption of environmental  
21 flow standards under Section 11.1471.

22                   (b) The advisory group shall give priority in descending  
23 order to the following river basin and bay systems of the state for  
24 the purpose of developing environmental flow regime  
25 recommendations and adopting environmental flow standards:

26                   (1) the river basin and bay system consisting of the  
27 Trinity and San Jacinto Rivers and Galveston Bay and the river basin



1 and bay system consisting of the Sabine and Neches Rivers and Sabine  
2 Lake Bay;

3 (2) the river basin and bay system consisting of the  
4 Colorado and Lavaca Rivers and Matagorda and Lavaca Bays and the  
5 river basin and bay system consisting of the Guadalupe, San  
6 Antonio, Mission, and Aransas Rivers and Mission, Copano, Aransas,  
7 and San Antonio Bays; and

8 (3) the river basin and bay system consisting of the  
9 Nueces River and Corpus Christi and Baffin Bays, the river basin and  
10 bay system consisting of the Rio Grande, the Rio Grande estuary, and  
11 the Lower Laguna Madre, and the Brazos River and its associated bay  
12 and estuary system.

13 (c) For the river basin and bay systems listed in Subsection  
14 (b)(1):

15 (1) the advisory group shall appoint the basin and bay  
16 area stakeholders committee not later than November 1, 2007;

17 (2) the basin and bay area stakeholders committee  
18 shall establish a basin and bay expert science team not later than  
19 March 1, 2008;

20 (3) the basin and bay expert science team shall  
21 finalize environmental flow regime recommendations and submit them  
22 to the basin and bay area stakeholders committee, the advisory  
23 group, and the commission not later than March 1, 2009, except that  
24 at the request of the basin and bay area stakeholders committee for  
25 good cause shown, the advisory group may extend the deadline  
26 provided by this subdivision;

27 (4) the basin and bay area stakeholders committee

1 shall submit to the commission its comments on and recommendations  
2 regarding the basin and bay expert science team's recommended  
3 environmental flow regime not later than September 1, 2009; and

4 (5) the commission shall adopt the environmental flow  
5 standards as provided by Section 11.1471 not later than September  
6 1, 2010.

7 (d) The advisory group shall appoint the basin and bay area  
8 stakeholders committees for the river basin and bay systems listed  
9 in Subsection (b)(2) not later than September 1, 2008, and shall  
10 appoint the basin and bay area stakeholders committees for the  
11 river basin and bay systems listed in Subsection (b)(3) not later  
12 than September 1, 2009. The advisory group shall establish a  
13 schedule for the performance of the tasks listed in Subsections  
14 (c)(2) through (5) with regard to the river basin and bay systems  
15 listed in Subsections (b)(2) and (3) that will result in the  
16 adoption of environmental flow standards for that river basin and  
17 bay system by the commission as soon as is reasonably possible.  
18 Each basin and bay area stakeholders committee and basin and bay  
19 expert science team for a river basin and bay system listed in  
20 Subsection (b)(2) or (3) shall make recommendations to the advisory  
21 group with regard to the schedule applicable to that river basin and  
22 bay system. The advisory group shall consider the recommendations  
23 of the basin and bay area stakeholders committee and basin and bay  
24 expert science team as well as coordinate with, and give  
25 appropriate consideration to the recommendations of, the  
26 commission, the Parks and Wildlife Department, and the board in  
27 establishing the schedule.

1       (e) For a river basin and bay system or a river basin that  
2 does not have an associated bay system in this state not listed in  
3 Subsection (b), the advisory group shall establish a schedule for  
4 the development of environmental flow regime recommendations and  
5 the adoption of environmental flow standards. The advisory group  
6 shall develop the schedule in consultation with the commission, the  
7 Parks and Wildlife Department, the board, and the pertinent basin  
8 and bay area stakeholders committee and basin and bay expert  
9 science team. The advisory group may, on its own initiative or on  
10 request, modify a schedule established under this subsection to be  
11 more responsive to particular circumstances, local desires,  
12 changing conditions, or time-sensitive conflicts. This subsection  
13 does not prohibit, in a river basin and bay system for which the  
14 advisory group has not yet established a schedule for the  
15 development of environmental flow regime recommendations and the  
16 adoption of environmental flow standards, an effort to develop  
17 information on environmental flow needs and ways in which those  
18 needs can be met by a voluntary consensus-building process.

19       (f) The advisory group shall appoint a basin and bay area  
20 stakeholders committee for each river basin and bay system in this  
21 state for which a schedule for the development of environmental  
22 flow regime recommendations and the adoption of environmental flow  
23 standards is specified by or established under Subsection (c), (d),  
24 or (e). Chapter 2110, Government Code, does not apply to the size,  
25 composition, or duration of a basin and bay area stakeholders  
26 committee. Each committee must consist of at least 17 members. The  
27 membership of each committee must:

1           (1) reflect a fair and equitable balance of interest  
2 groups concerned with the particular river basin and bay system for  
3 which the committee is established; and

4           (2) be representative of appropriate stakeholders,  
5 including the following if they have a presence in the particular  
6 river basin and bay system for which the committee is established:

7                   (A) agricultural water users, including  
8 representatives of each of the following sectors:

9                           (i) agricultural irrigation;  
10                           (ii) free-range livestock; and  
11                           (iii) concentrated animal feeding  
12 operation;

13                   (B) recreational water users, including coastal  
14 recreational anglers and businesses supporting water recreation;

15                   (C) municipalities;

16                   (D) soil and water conservation districts;

17                   (E) industrial water users, including  
18 representatives of each of the following sectors:

19                           (i) refining;  
20                           (ii) chemical manufacturing;  
21                           (iii) electricity generation; and  
22                           (iv) production of paper products or  
23 timber;

24                   (F) commercial fishermen;

25                   (G) public interest groups;

26                   (H) regional water planning groups;

27                   (I) groundwater conservation districts;

1                   (J) river authorities and other conservation and  
2 reclamation districts with jurisdiction over surface water; and

3                   (K) environmental interests.

4           (g) Members of a basin and bay area stakeholders committee  
5 serve five-year terms expiring March 1. If a vacancy occurs on a  
6 committee, the remaining members of the committee by majority vote  
7 shall appoint a member to serve the remainder of the unexpired term.

8           (h) Meetings of a basin and bay area stakeholders committee  
9 must be open to the public.

10           (i) Each basin and bay area stakeholders committee shall  
11 establish a basin and bay expert science team for the river basin  
12 and bay system for which the committee is established. The basin  
13 and bay expert science team must be established not later than six  
14 months after the date the basin and bay area stakeholders committee  
15 is established. Chapter 2110, Government Code, does not apply to  
16 the size, composition, or duration of a basin and bay expert science  
17 team. Each basin and bay expert science team must be composed of  
18 technical experts with special expertise regarding the river basin  
19 and bay system or regarding the development of environmental flow  
20 regimes. A person may serve as a member of more than one basin and  
21 bay expert science team at the same time.

22           (j) The members of a basin and bay expert science team serve  
23 five-year terms expiring April 1. A vacancy on a basin and bay  
24 expert science team is filled by appointment by the pertinent basin  
25 and bay area stakeholders committee to serve the remainder of the  
26 unexpired term.

27           (k) The science advisory committee shall appoint one of its

1 members to serve as a liaison to each basin and bay expert science  
 2 team to facilitate coordination and consistency in environmental  
 3 flow activities throughout the state. The commission, the Parks  
 4 and Wildlife Department, and the board shall provide technical  
 5 assistance to each basin and bay expert science team, including  
 6 information about the studies conducted under Sections 16.058 and  
 7 16.059, and may serve as nonvoting members of the basin and bay  
 8 expert science team to facilitate the development of environmental  
 9 flow regime recommendations.

10 (l) Where reasonably practicable, meetings of a basin and  
 11 bay expert science team must be open to the public.

12 (m) Each basin and bay expert science team shall develop  
 13 environmental flow analyses and a recommended environmental flow  
 14 regime for the river basin and bay system for which the team is  
 15 established through a collaborative process designed to achieve a  
 16 consensus. In developing the analyses and recommendations, the  
 17 science team must consider all reasonably available science,  
 18 without regard to the need for the water for other uses, and the  
 19 science team's recommendations must be based solely on the best  
 20 science available. For the Rio Grande below Fort Quitman, any uses  
 21 attributable to Mexican water flows must be excluded from  
 22 environmental flow regime recommendations.

23 (n) Each basin and bay expert science team shall submit its  
 24 environmental flow analyses and environmental flow regime  
 25 recommendations to the pertinent basin and bay area stakeholders  
 26 committee, the advisory group, and the commission in accordance  
 27 with the applicable schedule specified by or established under

1 Subsection (c), (d), or (e). The basin and bay area stakeholders  
2 committee and the advisory group may not change the environmental  
3 flow analyses or environmental flow regime recommendations of the  
4 basin and bay expert science team.

5 (o) Each basin and bay area stakeholders committee shall  
6 review the environmental flow analyses and environmental flow  
7 regime recommendations submitted by the committee's basin and bay  
8 expert science team and shall consider them in conjunction with  
9 other factors, including the present and future needs for water for  
10 other uses related to water supply planning in the pertinent river  
11 basin and bay system. For the Rio Grande, the basin and bay area  
12 stakeholders committee shall also consider the water accounting  
13 requirements for any international water sharing treaty, minutes,  
14 and agreement applicable to the Rio Grande and the effects on  
15 allocation of water by the Rio Grande watermaster in the middle and  
16 lower Rio Grande. The Rio Grande basin and bay expert science team  
17 may not recommend any environmental flow regime that would result  
18 in a violation of a treaty or court decision. The basin and bay area  
19 stakeholders committee shall develop recommendations regarding  
20 environmental flow standards and strategies to meet the  
21 environmental flow standards and submit those recommendations to  
22 the commission and to the advisory group in accordance with the  
23 applicable schedule specified by or established under Subsection  
24 (c), (d), or (e). In developing its recommendations, the basin and  
25 bay area stakeholders committee shall operate on a consensus basis  
26 to the maximum extent possible.

27 (p) In recognition of the importance of adaptive

management, after submitting its recommendations regarding environmental flow standards and strategies to meet the environmental flow standards to the commission, each basin and bay area stakeholders committee, with the assistance of the pertinent basin and bay expert science team, shall prepare and submit for approval by the advisory group a work plan. The work plan must:

(1) establish a periodic review of the basin and bay environmental flow analyses and environmental flow regime recommendations, environmental flow standards, and strategies, to occur at least once every 10 years;

(2) prescribe specific monitoring, studies, and activities; and

(3) establish a schedule for continuing the validation or refinement of the basin and bay environmental flow analyses and environmental flow regime recommendations, the environmental flow standards adopted by the commission, and the strategies to achieve those standards.

(g) In accordance with the applicable schedule specified by or established under Subsection (c), (d), or (e), the advisory group, with input from the science advisory committee, shall review the environmental flow analyses and environmental flow regime recommendations submitted by each basin and bay expert science team. If appropriate, the advisory group shall submit comments on the analyses and recommendations to the commission for use by the commission in adopting rules under Section 11.1471. Comments must be submitted not later than six months after the date of receipt of the analyses and recommendations.



1        (r) Notwithstanding the other provisions of this section,  
2 in the event the commission, by permit or order, has established an  
3 estuary advisory council with specific duties related to  
4 implementation of permit conditions for environmental flows, that  
5 council may continue in full force and effect and shall act as and  
6 perform the duties of the basin and bay area stakeholders committee  
7 under this section. The estuary advisory council shall add members  
8 from stakeholder groups and from appropriate science and technical  
9 groups, if necessary, to fully meet the criteria for membership  
10 established in Subsection (f) and shall operate under the  
11 provisions of this section.

12        (s) Each basin and bay area stakeholders committee and basin  
13 and bay expert science team is abolished on the date the advisory  
14 group is abolished under Section 11.0236(m).

15        Sec. 11.0237. WATER RIGHTS FOR INSTREAM FLOWS DEDICATED TO  
16 ENVIRONMENTAL NEEDS OR BAY AND ESTUARY INFLOWS. (a) The commission  
17 may not issue a new permit for instream flows dedicated to  
18 environmental needs or bay and estuary inflows. The commission may  
19 approve an application to amend an existing permit or certificate  
20 of adjudication to change the use to or add a use for instream flows  
21 dedicated to environmental needs or bay and estuary inflows.

22        (b) This section does not alter the commission's  
23 obligations under Section 11.042(b) or (c), 11.046(b),  
24 11.085(k)(2)(F), 11.134(b)(3)(D), 11.147, 11.1471, 11.1491,  
25 11.150, 11.152, 16.058, or 16.059.

26        SECTION 1.08. Subsection (b), Section 11.082, Water Code,  
27 is amended to read as follows:

1           (b) The state may recover the penalties prescribed in  
2 Subsection (a) [~~of this section~~] by suit brought for that purpose in  
3 a court of competent jurisdiction. The state may seek those  
4 penalties regardless of whether a watermaster has been appointed  
5 for the water division, river basin, or segment of a river basin  
6 where the unlawful use is alleged to have occurred.

7           SECTION 1.09. Section 11.0841, Water Code, is amended by  
8 adding Subsection (c) to read as follows:

9           (c) For purposes of this section, the Parks and Wildlife  
10 Department has:

11                 (1) the rights of a holder of a water right that is  
12 held in the Texas Water Trust, including the right to file suit in a  
13 civil court to prevent the unlawful use of such a right;

14                 (2) the right to act in the same manner that a holder  
15 of a water right may act to protect the holder's rights in seeking  
16 to prevent any person from appropriating water in violation of a  
17 set-aside established by the commission under Section 11.1471 to  
18 meet instream flow needs or freshwater inflow needs; and

19                 (3) the right to file suit in a civil court to prevent  
20 the unlawful use of a set-aside established under Section 11.1471.

21           SECTION 1.10. Subsection (a), Section 11.0842, Water Code,  
22 is amended to read as follows:

23           (a) If a person violates this chapter, a rule or order  
24 adopted under this chapter or Section 16.236 [~~of this code~~], or a  
25 permit, certified filing, or certificate of adjudication issued  
26 under this chapter, the commission may assess an administrative  
27 penalty against that person as provided by this section. The

1 commission may assess an administrative penalty for a violation  
2 relating to a water division or a river basin or segment of a river  
3 basin regardless of whether a watermaster has been appointed for  
4 the water division or river basin or segment of the river basin.

5 SECTION 1.11. Subsection (a), Section 11.0843, Water Code,  
6 is amended to read as follows:

7 (a) Upon witnessing a violation of this chapter or a rule or  
8 order or a water right issued under this chapter, the executive  
9 director or a person designated by the executive director,  
10 including a watermaster or the watermaster's deputy, [as defined by  
11 ~~commission rule,~~] may issue the alleged violator a field citation  
12 alleging that a violation has occurred and providing the alleged  
13 violator the option of either:

14 (1) without admitting to or denying the alleged  
15 violation, paying an administrative penalty in accordance with the  
16 predetermined penalty amount established under Subsection (b) [~~of~~  
17 ~~this section~~] and taking remedial action as provided in the  
18 citation; or

19 (2) requesting a hearing on the alleged violation in  
20 accordance with Section 11.0842 [~~of this code~~].

21 SECTION 1.12. Subsection (b), Section 11.134, Water Code,  
22 is amended to read as follows:

23 (b) The commission shall grant the application only if:

24 (1) the application conforms to the requirements  
25 prescribed by this chapter and is accompanied by the prescribed  
26 fee;

27 (2) unappropriated water is available in the source of

1 supply;

2 (3) the proposed appropriation:

3 (A) is intended for a beneficial use;

4 (B) does not impair existing water rights or  
5 vested riparian rights;

6 (C) is not detrimental to the public welfare;

7 (D) considers any applicable environmental flow  
8 standards established under Section 11.1471 and, if applicable, the  
9 assessments performed under Sections 11.147(d) and (e) and Sections  
10 11.150, 11.151, and 11.152; and

11 (E) addresses a water supply need in a manner  
12 that is consistent with the state water plan and the relevant  
13 approved regional water plan for any area in which the proposed  
14 appropriation is located, unless the commission determines that  
15 conditions warrant waiver of this requirement; and

16 (4) the applicant has provided evidence that  
17 reasonable diligence will be used to avoid waste and achieve water  
18 conservation as defined by [~~Subdivision (8)(B),~~] Section  
19 11.002(8)(B) [11.002].

20 SECTION 1.13. Section 11.147, Water Code, is amended by  
21 amending Subsections (b), (d), and (e) and adding Subsections  
22 (e-1), (e-2), and (e-3) to read as follows:

23 (b) In its consideration of an application for a permit to  
24 store, take, or divert water, the commission shall assess the  
25 effects, if any, of the issuance of the permit on the bays and  
26 estuaries of Texas. For permits issued within an area that is 200  
27 river miles of the coast, to commence from the mouth of the river

1 thence inland, the commission shall include in the permit any  
2 conditions considered necessary to maintain beneficial inflows to  
3 any affected bay and estuary system, to the extent practicable when  
4 considering all public interests and the studies mandated by  
5 Section 16.058 as evaluated under Section 11.1491[, ~~those~~  
6 ~~conditions considered necessary to maintain beneficial inflows to~~  
7 ~~any affected bay and estuary system~~].

8 (d) In its consideration of an application to store, take,  
9 or divert water, the commission shall include in the permit, to the  
10 extent practicable when considering all public interests, those  
11 conditions considered by the commission necessary to maintain  
12 existing instream uses and water quality of the stream or river to  
13 which the application applies. In determining what conditions to  
14 include in the permit under this subsection, the commission shall  
15 consider among other factors:

16 (1) the studies mandated by Section 16.059; and

17 (2) any water quality assessment performed under  
18 Section 11.150.

19 (e) The commission shall include in the permit, to the  
20 extent practicable when considering all public interests, those  
21 conditions considered by the commission necessary to maintain fish  
22 and wildlife habitats. In determining what conditions to include  
23 in the permit under this subsection, the commission shall consider  
24 any assessment performed under Section 11.152.

25 (e-1) Any permit for a new appropriation of water or an  
26 amendment to an existing water right that increases the amount of  
27 water authorized to be stored, taken, or diverted must include a

1 provision allowing the commission to adjust the conditions included  
2 in the permit or amended water right to provide for protection of  
3 instream flows or freshwater inflows. With respect to an amended  
4 water right, the provision may not allow the commission to adjust a  
5 condition of the amendment other than a condition that applies only  
6 to the increase in the amount of water to be stored, taken, or  
7 diverted authorized by the amendment. This subsection does not  
8 affect an appropriation of or an authorization to store, take, or  
9 divert water under a permit or amendment to a water right issued  
10 before September 1, 2007. The commission shall adjust the  
11 conditions if the commission determines, through an expedited  
12 public comment process, that such an adjustment is appropriate to  
13 achieve compliance with applicable environmental flow standards  
14 adopted under Section 11.1471. The adjustment:

15 (1) in combination with any previous adjustments made  
16 under this subsection may not increase the amount of the  
17 pass-through or release requirement for the protection of instream  
18 flows or freshwater inflows by more than 12.5 percent of the  
19 annualized total of that requirement contained in the permit as  
20 issued or of that requirement contained in the amended water right  
21 and applicable only to the increase in the amount of water  
22 authorized to be stored, taken, or diverted under the amended water  
23 right;

24 (2) must be based on appropriate consideration of the  
25 priority dates and diversion locations of any other water rights  
26 granted in the same river basin that are subject to adjustment under  
27 this subsection; and

1           (3) must be based on appropriate consideration of any  
2 voluntary contributions to the Texas Water Trust, and of any  
3 voluntary amendments to existing water rights to change the use of a  
4 specified quantity of water to or add a use of a specified quantity  
5 of water for instream flows dedicated to environmental needs or bay  
6 and estuary inflows as authorized by Section 11.0237(a), that  
7 actually contribute toward meeting the applicable environmental  
8 flow standards.

9           (e-2) Any water right holder who makes a contribution or  
10 amends a water right as described by Subsection (e-1)(3) is  
11 entitled to appropriate credit for the benefits of the contribution  
12 or amendment against the adjustment of the holder's water right  
13 under Subsection (e-1).

14           (e-3) Notwithstanding Subsections (b)-(e), for the purpose  
15 of determining the environmental flow conditions necessary to  
16 maintain freshwater inflows to an affected bay and estuary system,  
17 existing instream uses and water quality of a stream or river, or  
18 fish and aquatic wildlife habitats, the commission shall apply any  
19 applicable environmental flow standard, including any  
20 environmental flow set-aside, adopted under Section 11.1471  
21 instead of considering the factors specified by those subsections.

22           SECTION 1.14. Subchapter D, Chapter 11, Water Code, is  
23 amended by adding Section 11.1471 to read as follows:

24           Sec. 11.1471. ENVIRONMENTAL FLOW STANDARDS AND SET-ASIDES.

25           (a) The commission by rule shall:

26                   (1) adopt appropriate environmental flow standards  
27 for each river basin and bay system in this state that are adequate

1 to support a sound ecological environment, to the maximum extent  
2 reasonable considering other public interests and other relevant  
3 factors;

4 (2) establish an amount of unappropriated water, if  
5 available, to be set aside to satisfy the environmental flow  
6 standards to the maximum extent reasonable when considering human  
7 water needs; and

8 (3) establish procedures for implementing an  
9 adjustment of the conditions included in a permit or an amended  
10 water right as provided by Sections 11.147(e-1) and (e-2).

11 (b) In adopting environmental flow standards for a river  
12 basin and bay system under Subsection (a)(1), the commission shall  
13 consider:

14 (1) the definition of the geographical extent of the  
15 river basin and bay system adopted by the advisory group under  
16 Section 11.02362(a) and the definition and designation of the river  
17 basin by the board under Section 16.051(c);

18 (2) the schedule established by the advisory group  
19 under Section 11.02362(d) or (e) for the adoption of environmental  
20 flow standards for the river basin and bay system, if applicable;

21 (3) the environmental flow analyses and the  
22 recommended environmental flow regime developed by the applicable  
23 basin and bay expert science team under Section 11.02362(m);

24 (4) the recommendations developed by the applicable  
25 basin and bay area stakeholders committee under Section 11.02362(o)  
26 regarding environmental flow standards and strategies to meet the  
27 flow standards;



1           (5) any comments submitted by the advisory group to  
2 the commission under Section 11.02362(q);

3           (6) the specific characteristics of the river basin  
4 and bay system;

5           (7) economic factors;

6           (8) the human and other competing water needs in the  
7 river basin and bay system;

8           (9) all reasonably available scientific information,  
9 including any scientific information provided by the science  
10 advisory committee; and

11           (10) any other appropriate information.

12           (c) Environmental flow standards adopted under Subsection  
13 (a)(1) must consist of a schedule of flow quantities, reflecting  
14 seasonal and yearly fluctuations that may vary geographically by  
15 specific location in a river basin and bay system.

16           (d) As provided by Section 11.023, the commission may not  
17 issue a permit for a new appropriation or an amendment to an  
18 existing water right that increases the amount of water authorized  
19 to be stored, taken, or diverted if the issuance of the permit or  
20 amendment would impair an environmental flow set-aside established  
21 under Subsection (a)(2). A permit for a new appropriation or an  
22 amendment to an existing water right that increases the amount of  
23 water authorized to be stored, taken, or diverted that is issued  
24 after the adoption of an applicable environmental flow set-aside  
25 must contain appropriate conditions to ensure protection of the  
26 environmental flow set-aside.

27           (e) An environmental flow set-aside established under

1 Subsection (a)(2) for a river basin and bay system other than the  
2 middle and lower Rio Grande must be assigned a priority date  
3 corresponding to the date the commission receives environmental  
4 flow regime recommendations from the applicable basin and bay  
5 expert science team and be included in the appropriate water  
6 availability models in connection with an application for a permit  
7 for a new appropriation or for an amendment to an existing water  
8 right that increases the amount of water authorized to be stored,  
9 taken, or diverted.

10 (f) An environmental flow standard or environmental flow  
11 set-aside adopted under Subsection (a) may be altered by the  
12 commission in a rulemaking process undertaken in accordance with a  
13 schedule established by the commission. In establishing a  
14 schedule, the commission shall consider the applicable work plan  
15 approved by the advisory group under Section 11.02362(p). The  
16 commission's schedule may not provide for the rulemaking process to  
17 occur more frequently than once every 10 years unless the work plan  
18 provides for a periodic review under Section 11.02362(p) to occur  
19 more frequently than once every 10 years. In that event, the  
20 commission may provide for the rulemaking process to be undertaken  
21 in conjunction with the periodic review if the commission  
22 determines that schedule to be appropriate. A rulemaking process  
23 undertaken under this subsection must provide for the participation  
24 of stakeholders having interests in the particular river basin and  
25 bay system for which the process is undertaken.

26 SECTION 1.15. The heading to Section 11.148, Water Code, is  
27 amended to read as follows:

1           Sec. 11.148. EMERGENCY SUSPENSION OF PERMIT CONDITIONS AND  
2 EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET ASIDE FOR  
3 ENVIRONMENTAL FLOWS.

4           SECTION 1.16. Section 11.148, Water Code, is amended by  
5 adding Subsection (a-1) and amending Subsections (b) and (c) to  
6 read as follows:

7           (a-1) State water that is set aside by the commission to  
8 meet the needs for freshwater inflows to affected bays and  
9 estuaries and instream uses under Section 11.1471(a)(2) may be made  
10 available temporarily for other essential beneficial uses if the  
11 commission finds that an emergency exists that cannot practically  
12 be resolved in another way.

13           (b) Before the commission suspends a permit condition under  
14 Subsection (a) or makes water available temporarily under  
15 Subsection (a-1) [~~of this section~~], it must give written notice to  
16 the Parks and Wildlife Department of the proposed action  
17 [~~suspension~~]. The commission shall give the Parks and Wildlife  
18 Department an opportunity to submit comments on the proposed action  
19 [~~suspension~~] within 72 hours from such time and the commission  
20 shall consider those comments before issuing its order implementing  
21 the proposed action [~~imposing the suspension~~].

22           (c) The commission may suspend the permit condition under  
23 Subsection (a) or make water available temporarily under Subsection  
24 (a-1) without notice to any other interested party other than the  
25 Parks and Wildlife Department as provided by Subsection (b) [~~of~~  
26 this section]. However, all affected persons shall be notified  
27 immediately by publication, and a hearing to determine whether the

1 suspension should be continued shall be held within 15 days of the  
2 date on which the order to suspend is issued.

3 SECTION 1.17. Subsection (a), Section 11.1491, Water Code,  
4 is amended to read as follows:

5 (a) The Parks and Wildlife Department and the commission  
6 shall have joint responsibility to review the studies prepared  
7 under Section 16.058 [~~of this code~~], to determine inflow conditions  
8 necessary for the bays and estuaries, and to provide information  
9 necessary for water resources management. Each agency shall  
10 designate an employee to share equally in the oversight of the  
11 program. Other responsibilities shall be divided between the Parks  
12 and Wildlife Department and the commission to maximize present  
13 in-house capabilities of personnel and to minimize costs to the  
14 state. Each agency shall have reasonable access to all information  
15 produced by the other agency. Publication of reports completed  
16 under this section shall be submitted for comment to [~~both~~] the  
17 commission, [~~and~~] the Parks and Wildlife Department, the advisory  
18 group, the science advisory committee, and any applicable basin and  
19 bay area stakeholders committee and basin and bay expert science  
20 team.

21 SECTION 1.18. Subsection (g), Section 11.329, Water Code,  
22 is amended to read as follows:

23 (g) The commission may not assess costs under this section  
24 against a holder of a non-priority hydroelectric right that owns or  
25 operates privately owned facilities that collectively have a  
26 capacity of less than two megawatts or against a holder of a water  
27 right placed in the Texas Water Trust for a term of at least 20

years. ~~[This subsection is not intended to affect in any way the fees assessed on a water right holder by the commission under Section 1.29(d), Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993. For purposes of Section 1.29(d), Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, a holder of a non-priority hydroelectric right that owns or operates privately owned facilities that collectively have a capacity of less than two megawatts shall be assessed fees at the same rate per acre-foot charged to a holder of a non-priority hydroelectric right that owns or operates privately owned facilities that collectively have a capacity of more than two megawatts.]~~

SECTION 1.19. Subsection (e), Section 11.404, Water Code, is amended to read as follows:

(e) The court may not assess costs and expenses under this section against:

(1) a holder of a non-priority hydroelectric right that owns or operates privately owned facilities that collectively have a capacity of less than two megawatts; or

(2) a holder of a water right placed in the Texas Water Trust for a term of at least 20 years.

SECTION 1.20. Subchapter I, Chapter 11, Water Code, is amended by adding Section 11.4531 to read as follows:

Sec. 11.4531. WATERMASTER ADVISORY COMMITTEE. (a) For each river basin or segment of a river basin for which the executive director appoints a watermaster under this subchapter, the executive director shall appoint a watermaster advisory committee consisting of at least nine but not more than 15 members. A member

1 of the advisory committee must be a holder of a water right or a  
2 representative of a holder of a water right in the river basin or  
3 segment of the river basin for which the watermaster is appointed.  
4 In appointing members to the advisory committee, the executive  
5 director shall consider:

6 (1) geographic representation;  
7 (2) amount of water rights held;  
8 (3) different types of holders of water rights and  
9 users, including water districts, municipal suppliers, irrigators,  
10 and industrial users; and

11 (4) experience and knowledge of water management  
12 practices.

13 (b) An advisory committee member is not entitled to  
14 reimbursement of expenses or to compensation.

15 (c) An advisory committee member serves a two-year term  
16 expiring August 31 of each odd-numbered year and holds office until  
17 a successor is appointed.

18 (d) The advisory committee shall meet within 30 days after  
19 the date the initial appointments have been made and shall select a  
20 presiding officer to serve a one-year term. The committee shall  
21 meet regularly as necessary.

22 (e) The advisory committee shall:

23 (1) make recommendations to the executive director  
24 regarding activities of benefit to the holders of water rights in  
25 the administration and distribution of water to holders of water  
26 rights in the river basin or segment of the river basin for which  
27 the watermaster is appointed;

(2) review and comment to the executive director on the annual budget of the watermaster operation; and

(3) perform other advisory duties as requested by the executive director regarding the watermaster operation or as requested by holders of water rights and considered by the committee to benefit the administration of water rights in the river basin or segment of the river basin for which the watermaster is appointed.

SECTION 1.21. Sections 11.454 and 11.455, Water Code, are amended to read as follows:

Sec. 11.454. DUTIES AND AUTHORITY OF THE WATERMASTER. Section 11.327 applies to the duties and authority of a watermaster appointed for a river basin or segment of a river basin under this subchapter in the same manner as that section applies to the duties and authority of a watermaster appointed for a water division under Subchapter G ~~[A watermaster as the agent of the commission and under the executive director's supervision shall.]~~

~~[(1) divide the water of the streams or other sources of supply of his segment or basin in accordance with the authorized water rights,~~

~~[(2) regulate or cause to be regulated the controlling works of reservoirs and diversion works in time of water shortage, as is necessary because of the rights existing in the streams of his segment or basin, or as is necessary to prevent the waste of water or its diversion, taking, storage, or use in excess of the quantities to which the holders of water rights are lawfully entitled, and~~

1           ~~[(3) perform any other duties and exercise any~~  
2 ~~authority directed by the commission].~~

3           Sec. 11.455. COMPENSATION AND EXPENSES OF WATERMASTER  
4 [ASSESSMENTS]. (a) Section 11.329 applies to the payment of the  
5 compensation and expenses of a watermaster appointed for a river  
6 basin or segment of a river basin under this subchapter in the same  
7 manner as that section applies to the payment of the compensation  
8 and expenses of a watermaster appointed for a water division under  
9 Subchapter G.

10           (b) The executive director shall deposit the assessments  
11 collected under this section to the credit of the watermaster fund.

12           (c) Money deposited under this section to the credit of the  
13 watermaster fund may be used only for the purposes specified by  
14 Section 11.3291 with regard to the watermaster operation under this  
15 subchapter with regard to which the assessments were collected [The  
16 ~~commission may assess the costs of the watermaster against all~~  
17 ~~persons who hold water rights in the river basin or segment of the~~  
18 ~~river basin under the watermaster's jurisdiction in accordance with~~  
19 ~~Section 11.329 of this code].~~

20           SECTION 1.22. Subchapter F, Chapter 15, Water Code, is  
21 amended by adding Section 15.4063 to read as follows:

22           Sec. 15.4063. ENVIRONMENTAL FLOWS FUNDING. The board may  
23 authorize the use of money in the research and planning fund:

24           (1) to compensate the members of the Texas  
25 environmental flows science advisory committee established under  
26 Section 11.02361 for attendance and participation at meetings of  
27 the committee and for transportation, meals, lodging, or other



1 travel expenses associated with attendance at those meetings as  
2 provided by the General Appropriations Act;

3 (2) for contracts with cooperating state and federal  
4 agencies and universities and with private entities as necessary to  
5 provide technical assistance to enable the Texas environmental  
6 flows science advisory committee and the basin and bay expert  
7 science teams established under Section 11.02362 to perform their  
8 statutory duties;

9 (3) to compensate the members of the basin and bay  
10 expert science teams established under Section 11.02362 for  
11 attendance and participation at meetings of the basin and bay  
12 expert science teams and for transportation, meals, lodging, or  
13 other travel expenses associated with attendance at those meetings  
14 as provided by the General Appropriations Act; and

15 (4) for contracts with political subdivisions  
16 designated as representatives of basin and bay area stakeholders  
17 committees established under Section 11.02362 to fund all or part  
18 of the administrative expenses incurred in conducting meetings of  
19 the basin and bay area stakeholders committees or the pertinent  
20 basin and bay expert science teams.

21 SECTION 1.23. Subsection (d), Section 16.059, Water Code,  
22 is amended to read as follows:

23 (d) The priority studies shall be completed not later than  
24 December 31, 2016 [~~2010~~]. The Parks and Wildlife Department, the  
25 commission, and the board shall establish a work plan that  
26 prioritizes the studies and that sets interim deadlines providing  
27 for publication of flow determinations for individual rivers and

streams on a reasonably consistent basis throughout the prescribed study period. Before publication, completed studies shall be submitted for comment to the commission, the board, and the Parks and Wildlife Department.

SECTION 1.24. Subsection (h), Section 26.0135, Water Code, as amended by Chapters 234 and 965, Acts of the 77th Legislature, Regular Session, 2001, is reenacted and amended to read as follows:

(h) The commission shall apportion, assess, and recover the reasonable costs of administering the water quality management programs under this section from users of water and wastewater permit holders in the watershed according to the records of the commission generally in proportion to their right, through permit or contract, to use water from and discharge wastewater in the watershed. Irrigation water rights, ~~and~~ non-priority hydroelectric rights of a water right holder that owns or operates privately owned facilities that collectively have a capacity of less than two megawatts, and water rights held in the Texas Water Trust for terms of at least 20 years will not be subject to this assessment. The cost to river authorities and others to conduct water quality monitoring and assessment shall be subject to prior review and approval by the commission as to methods of allocation and total amount to be recovered. The commission shall adopt rules to supervise and implement the water quality monitoring, assessment, and associated costs. The rules shall ensure that water users and wastewater dischargers do not pay excessive amounts, that program funds are equitably apportioned among basins, that a river authority may recover no more than the actual costs of

1 administering the water quality management programs called for in  
2 this section, and that no municipality shall be assessed cost for  
3 any efforts that duplicate water quality management activities  
4 described in Section 26.177 [~~of this chapter~~]. The rules  
5 concerning the apportionment and assessment of reasonable costs  
6 shall provide for a recovery of not more than \$5,000,000 annually.  
7 Costs recovered by the commission are to be deposited to the credit  
8 of the water resource management account and may be used only to  
9 accomplish the purposes of this section. The commission may apply  
10 not more than 10 percent of the costs recovered annually toward the  
11 commission's overhead costs for the administration of this section  
12 and the implementation of regional water quality assessments. The  
13 commission, with the assistance and input of each river authority,  
14 shall file a written report accounting for the costs recovered  
15 under this section with the governor, the lieutenant governor, and  
16 the speaker of the house of representatives on or before December 1  
17 of each even-numbered year.

18 SECTION 1.25. Subsection (b), Section 11.1491, Water Code,  
19 is repealed.

20 SECTION 1.26. (a) The governor, lieutenant governor, and  
21 speaker of the house of representatives shall appoint the initial  
22 members of the environmental flows advisory group as provided by  
23 Section 11.0236, Water Code, as added by this article, as soon as  
24 practicable on or after the effective date of this Act.

25 (b) As soon as practicable after taking office, the initial  
26 members of the environmental flows advisory group shall appoint the  
27 initial members of the Texas environmental flows science advisory

1 committee as provided by Section 11.02361, Water Code, as added by  
2 this article. The terms of the initial members of the committee  
3 expire March 1, 2012.

4 (c) The environmental flows advisory group shall appoint  
5 the members of each basin and bay area stakeholders committee as  
6 provided by Section 11.02362, Water Code, as added by this article.  
7 The terms of the initial members of each committee expire March 1 of  
8 the fifth year that begins after the year in which the initial  
9 appointments are made.

10 (d) Each basin and bay area stakeholders committee shall  
11 appoint the members of the basin and bay expert science team for the  
12 river basin and bay system for which the committee is established as  
13 provided by Section 11.02362, Water Code, as added by this article.  
14 The terms of the initial members of each team expire April 1 of the  
15 fifth year that begins after the year in which the initial  
16 appointments are made.

17 (e) The executive director of the Texas Commission on  
18 Environmental Quality shall appoint the members of the watermaster  
19 advisory committee under Section 11.4531, Water Code, as added by  
20 this article, for each river basin or segment of a river basin for  
21 which the executive director appoints a watermaster under  
22 Subchapter I, Chapter 11, Water Code. The terms of the initial  
23 members of each committee expire August 31 of the first  
24 odd-numbered year that begins after the year in which the initial  
25 appointments are made.

26 SECTION 1.27. The changes in law made by this article  
27 relating to a permit for a new appropriation of water or to an

1 amendment to an existing water right that increases the amount of  
2 water authorized to be stored, taken, or diverted apply only to:

3 (1) water appropriated under a permit for a new  
4 appropriation of water the application for which is pending with  
5 the Texas Commission on Environmental Quality on the effective date  
6 of this Act or is filed with the commission on or after that date; or

7 (2) the increase in the amount of water authorized to  
8 be stored, taken, or diverted under an amendment to an existing  
9 water right that increases the amount of water authorized to be  
10 stored, taken, or diverted and the application for which is pending  
11 with the Texas Commission on Environmental Quality on the effective  
12 date of this Act or is filed with the commission on or after that  
13 date.

14 ARTICLE 2. WATER CONSERVATION AND PLANNING AND OTHER WATER-RELATED  
15 PROVISIONS

16 SECTION 2.01. Section 1.003, Water Code, is amended to read  
17 as follows:

18 Sec. 1.003. PUBLIC POLICY. It is the public policy of the  
19 state to provide for the conservation and development of the  
20 state's natural resources, including:

21 (1) the control, storage, preservation, and  
22 distribution of the state's storm and floodwaters and the waters of  
23 its rivers and streams for irrigation, power, and other useful  
24 purposes;

25 (2) the reclamation and irrigation of the state's  
26 arid, semiarid, and other land needing irrigation;

27 (3) the reclamation and drainage of the state's

1 overflowed land and other land needing drainage;

2 (4) the conservation and development of its forest,  
3 water, and hydroelectric power;

4 (5) the navigation of the state's inland and coastal  
5 waters; ~~and~~

6 (6) the maintenance of a proper ecological environment  
7 of the bays and estuaries of Texas and the health of related living  
8 marine resources; and

9 (7) the voluntary stewardship of public and private  
10 lands to benefit waters of the state.

11 SECTION 2.02. Subchapter A, Chapter 1, Water Code, is  
12 amended by adding Section 1.004 to read as follows:

13 Sec. 1.004. FINDINGS AND POLICY REGARDING LAND STEWARDSHIP.

14 (a) The legislature finds that voluntary land stewardship  
15 enhances the efficiency and effectiveness of this state's  
16 watersheds by helping to increase surface water and groundwater  
17 supplies, resulting in a benefit to the natural resources of this  
18 state and to the general public. It is therefore the policy of this  
19 state to encourage voluntary land stewardship as a significant  
20 water management tool.

21 (b) "Land stewardship," as used in this code, is the  
22 voluntary practice of managing land to conserve or enhance suitable  
23 landscapes and the ecosystem values of the land. Land stewardship  
24 includes land and habitat management, wildlife conservation, and  
25 watershed protection. Land stewardship practices include runoff  
26 reduction, prescribed burning, managed grazing, brush management,  
27 erosion management, reseeding with native plant species, riparian

1 management and restoration, and spring and creek-bank protection,  
2 all of which benefit the water resources of this state.

3 SECTION 2.03. Subtitle A, Title 2, Water Code, is amended by  
4 adding Chapter 10 to read as follows:

5 CHAPTER 10. WATER CONSERVATION ADVISORY COUNCIL

6 Sec. 10.001. DEFINITIONS. In this chapter:

7 (1) "Best management practices" has the meaning  
8 assigned by Section 11.002.

9 (2) "Board" means the Texas Water Development Board.

10 (3) "Commission" means the Texas Commission on  
11 Environmental Quality.

12 (4) "Council" means the Water Conservation Advisory  
13 Council.

14 Sec. 10.002. PURPOSE. The council is created to provide the  
15 governor, lieutenant governor, speaker of the house of  
16 representatives, legislature, board, commission, political  
17 subdivisions, and public with the resource of a select council with  
18 expertise in water conservation.

19 Sec. 10.003. CREATION AND MEMBERSHIP. (a) The council is  
20 composed of 23 members appointed by the board. The board shall  
21 appoint one member to represent each of the following entities or  
22 interest groups:

23 (1) Texas Commission on Environmental Quality;

24 (2) Department of Agriculture;

25 (3) Parks and Wildlife Department;

26 (4) State Soil and Water Conservation Board;

27 (5) Texas Water Development Board;

- (6) regional water planning groups;
- (7) federal agencies;
- (8) municipalities;
- (9) groundwater conservation districts;
- (10) river authorities;
- (11) environmental groups;
- (12) irrigation districts;
- (13) institutional water users;
- (14) professional organizations focused on water  
conservation;
- (15) higher education;
- (16) agricultural groups;
- (17) refining and chemical manufacturing;
- (18) electric generation;
- (19) mining and recovery of minerals;
- (20) landscape irrigation and horticulture;
- (21) water control and improvement districts;
- (22) rural water users; and
- (23) municipal utility districts.

(b) Each entity or interest group described by Subsection  
(a) may recommend one or more persons to fill the position on the  
council held by the member who represents that entity or interest  
group. If one or more persons are recommended for a position on the  
council, the board shall appoint one of the persons recommended to  
fill the position.

Sec. 10.004. TERMS. (a) Members of the council serve  
staggered terms of six years, with seven or eight members' terms, as



1 applicable, expiring August 31 of each odd-numbered year.

2 (b) The board shall fill a vacancy on the council for the  
3 unexpired term by appointing a person who has the same  
4 qualifications as required under Section 10.003 for the person who  
5 previously held the vacated position.

6 Sec. 10.005. PRESIDING OFFICER. The council members shall  
7 select one member as the presiding officer of the council to serve  
8 in that capacity until the person's term as a council member  
9 expires.

10 Sec. 10.006. COUNCIL STAFF. On request by the council, the  
11 board shall provide any necessary staff to assist the council in the  
12 performance of its duties.

13 Sec. 10.007. PUBLIC MEETINGS AND PUBLIC INFORMATION. (a)  
14 The council may hold public meetings as needed to fulfill its duties  
15 under this chapter.

16 (b) The council is subject to Chapters 551 and 552,  
17 Government Code.

18 Sec. 10.008. INAPPLICABILITY OF ADVISORY COMMITTEE LAW.  
19 Chapter 2110, Government Code, does not apply to the size,  
20 composition, or duration of the council.

21 Sec. 10.009. COMPENSATION OF MEMBERS. (a) Members of the  
22 council serve without compensation but may be reimbursed by  
23 legislative appropriation for actual and necessary expenses  
24 related to the performance of council duties.

25 (b) Reimbursement under Subsection (a) is subject to the  
26 approval of the presiding officer of the council.

27 Sec. 10.010. POWERS AND DUTIES OF COUNCIL. The council

1 shall:

2 (1) monitor trends in water conservation  
3 implementation;

4 (2) monitor new technologies for possible inclusion by  
5 the board as best management practices in the best management  
6 practices guide developed by the water conservation implementation  
7 task force under Chapter 109, Acts of the 78th Legislature, Regular  
8 Session, 2003;

9 (3) monitor the effectiveness of the statewide water  
10 conservation public awareness program developed under Section  
11 16.401 and associated local involvement in implementation of the  
12 program;

13 (4) develop and implement a state water management  
14 resource library;

15 (5) develop and implement a public recognition program  
16 for water conservation;

17 (6) monitor the implementation of water conservation  
18 strategies by water users included in regional water plans; and

19 (7) monitor target and goal guidelines for water  
20 conservation to be considered by the board and commission.

21 Sec. 10.011. REPORT. Not later than December 1 of each  
22 even-numbered year, the council shall submit to the governor,  
23 lieutenant governor, and speaker of the house of representatives a  
24 report on progress made in water conservation in this state.

25 Sec. 10.012. DESIGNATION OF CERTIFIED WATER CONSERVATION  
26 TRAINING FACILITIES STUDY. (a) The council shall conduct a study  
27 to evaluate the desirability of requiring the board to:

1           (1) designate as certified water conservation  
2 training facilities entities and programs that provide assistance  
3 to retail public utilities in developing water conservation plans  
4 under Section 13.146; and

5           (2) give preference to certified water conservation  
6 training facilities in making loans or grants for water  
7 conservation training and education activities.

8           (b) Not later than December 1, 2008, the council shall  
9 submit a written report containing the findings of the study and the  
10 recommendations of the council to the governor, lieutenant  
11 governor, and speaker of the house of representatives.

12           (c) This section expires June 1, 2009.

13           SECTION 2.04. Section 11.002, Water Code, is amended by  
14 adding Subdivision (20) to read as follows:

15           (20) "Best management practices" means those  
16 voluntary efficiency measures developed by the commission and the  
17 board that save a quantifiable amount of water, either directly or  
18 indirectly, and that can be implemented within a specified time  
19 frame.

20           SECTION 2.05. Sections 13.002(1-a), (5), and (8), Water  
21 Code, are amended to read as follows:

22           (1-a) "Landowner," "owner of a tract of land," and  
23 "owners of each tract of land" include multiple owners of a single  
24 deeded tract of land as shown on the appraisal roll of the appraisal  
25 district established for each county in which the property is  
26 located.

27           (5) "Commission" means the Texas [~~Natural Resource~~

1 ~~Conservation~~] Commission on Environmental Quality.

2 (8) "Executive director" means the executive director  
3 of the commission [~~Texas Natural Resource Conservation~~  
4 ~~Commission~~].

5 SECTION 2.06. Subchapter E, Chapter 13, Water Code, is  
6 amended by adding Sections 13.146 and 13.147 to read as follows:

7 Sec. 13.146. WATER CONSERVATION PLAN. The commission shall  
8 require a retail public utility that provides potable water service  
9 to 3,300 or more connections to submit to the executive  
10 administrator of the board a water conservation plan based on  
11 specific targets and goals developed by the retail public utility  
12 and using appropriate best management practices, as defined by  
13 Section 11.002, or other water conservation strategies.

14 Sec. 13.147. CONSOLIDATED BILLING AND COLLECTION  
15 CONTRACTS. (a) A retail public utility providing water service may  
16 contract with a retail public utility providing sewer service to  
17 bill and collect the sewer service provider's fees and payments as  
18 part of a consolidated process with the billing and collection of  
19 the water service provider's fees and payments. The water service  
20 provider may provide that service only for customers who are served  
21 by both providers in an area covered by both providers'  
22 certificates of public convenience and necessity. If the water  
23 service provider refuses to enter into a contract under this  
24 section or if the water service provider and sewer service provider  
25 cannot agree on the terms of a contract, the sewer service provider  
26 may petition the commission to issue an order requiring the water  
27 service provider to provide that service.

1        (b) A contract or order under this section must provide  
2 procedures and deadlines for submitting billing and customer  
3 information to the water service provider and for the delivery of  
4 collected fees and payments to the sewer service provider.

5        (c) A contract or order under this section may require or  
6 permit a water service provider that provides consolidated billing  
7 and collection of fees and payments to:

8            (1) terminate the water services of a person whose  
9 sewage services account is in arrears for nonpayment; and

10           (2) charge a customer a reconnection fee if the  
11 customer's water service is terminated for nonpayment of the  
12 customer's sewage services account.

13        (d) A water service provider that provides consolidated  
14 billing and collection of fees and payments may impose on each sewer  
15 service provider customer a reasonable fee to recover costs  
16 associated with providing consolidated billing and collection of  
17 fees and payments for sewage services.

18        SECTION 2.07. Subchapter F, Chapter 13, Water Code, is  
19 amended by adding Section 13.188 to read as follows:

20        Sec. 13.188. ADJUSTMENT FOR CHANGE IN ENERGY COSTS. (a)  
21 Notwithstanding any other provision in this chapter, the commission  
22 by rule shall adopt a procedure allowing a utility to file with the  
23 commission an application to timely adjust the utility's rates to  
24 reflect an increase or decrease in documented energy costs in a pass  
25 through clause. The commission, by rule, shall require the pass  
26 through of documented decreases in energy costs within a reasonable  
27 time. The pass through, whether a decrease or increase, shall be

1 implemented on no later than an annual basis, unless the commission  
2 determines a special circumstance applies.

3 (b) Notwithstanding any other provision to the contrary,  
4 this adjustment is an uncontested matter not subject to a contested  
5 case hearing. However, the executive director shall hold an  
6 uncontested public meeting if:

7 (1) on the request of a member of the legislature who  
8 represents the area served by the water and sewer utility; or

9 (2) if the executive director determines that there is  
10 substantial public interest in the matter.

11 (c) A proceeding under this section is not a rate case and  
12 Section 13.187 does not apply.

13 SECTION 2.08. Section 13.2451, Water Code, is amended to  
14 read as follows:

15 Sec. 13.2451. EXTENSION BEYOND EXTRATERRITORIAL  
16 JURISDICTION. (a) If ~~[Except as provided by Subsection (b), if]~~ a  
17 municipality extends its extraterritorial jurisdiction to include  
18 an area certificated to a retail public utility, the retail public  
19 utility may continue and extend service in its area of public  
20 convenience and necessity under the rights granted by its  
21 certificate and this chapter.

22 (b) A municipality that seeks to extend a certificate of  
23 public convenience and necessity beyond the municipality's  
24 extraterritorial jurisdiction must ensure that the municipality  
25 complies with Section 13.241 in relation to the area covered by the  
26 portion of the certificate that extends beyond the municipality's  
27 extraterritorial jurisdiction.

(c) The commission, after notice to the municipality and an opportunity for a hearing, may decertify an area outside a municipality's extraterritorial jurisdiction if the municipality does not provide service to the area on or before the fifth anniversary of the date the certificate of public convenience and necessity was granted for the area. This subsection does not apply to a certificate of public convenience and necessity for an area:

(1) that was transferred to a municipality on approval of the commission; and

(2) in relation to which the municipality has spent public funds.

(d) To the extent of a conflict between this section and Section 13.245, Section 13.245 prevails. [The commission may not extend a municipality's certificate of public convenience and necessity beyond its extraterritorial jurisdiction without the written consent of the landowner who owns the property in which the certificate is to be extended. The portion of any certificate of public convenience and necessity that extends beyond the extraterritorial jurisdiction of the municipality without the consent of the landowner is void.]

SECTION 2.09. Section 13.246(a-1), Water Code, is amended to read as follows:

(a-1) Except as otherwise provided by this subsection, in addition to the notice required by Subsection (a), the commission shall require notice to be mailed to each owner of a tract of land that is at least 25 ~~50~~ acres and is wholly or partially included in the area proposed to be certified. Notice required under this

1 subsection must be mailed by first class mail to the owner of the  
2 tract according to the most current tax appraisal rolls of the  
3 applicable central appraisal district at the time the commission  
4 received the application for the certificate or amendment. Good  
5 faith efforts to comply with the requirements of this subsection  
6 shall be considered adequate notice to landowners. Notice under  
7 this subsection is not required for a matter filed with the  
8 commission under:

9 (1) Section 13.248 or 13.255; or

10 (2) Chapter 65.

11 SECTION 2.10. Subsection (b), Section 15.102, Water Code,  
12 is amended to read as follows:

13 (b) The loan fund may also be used by the board to provide:

14 (1) grants or loans for projects that include  
15 supplying water and wastewater services in economically distressed  
16 areas or nonborder colonias as provided by legislative  
17 appropriations, this chapter, and board rules, including projects  
18 involving retail distribution of those services; and

19 (2) grants for:

20 (A) projects for which federal grant funds are  
21 placed in the loan fund;

22 (B) projects, on specific legislative  
23 appropriation for those projects; or

24 (C) water conservation, desalination, brush  
25 control, weather modification, regionalization, and projects  
26 providing regional water quality enhancement services as defined by  
27 board rule, including regional conveyance systems.



1           SECTION 2.11. Subchapter Q, Chapter 15, Water Code, is  
2 amended by adding Section 15.9751 to read as follows:

3           Sec. 15.9751. PRIORITY FOR WATER CONSERVATION. The board  
4 shall give priority to applications for funds for the  
5 implementation of water supply projects in the state water plan by  
6 entities that:

7                   (1) have already demonstrated significant water  
8 conservation savings; or

9                   (2) will achieve significant water conservation  
10 savings by implementing the proposed project for which the  
11 financial assistance is sought.

12          SECTION 2.12. Section 16.017, Water Code, is amended to  
13 read as follows:

14          Sec. 16.017. TOPOGRAPHIC AND GEOLOGIC MAPPING. (a) The  
15 executive administrator shall carry out the program for topographic  
16 and geologic mapping of the state.

17               (b) The executive administrator shall operate as part of the  
18 Texas Natural Resources Information System a strategic mapping  
19 program to acquire, store, and distribute digital, geospatial  
20 information.

21          SECTION 2.13. Subchapter B, Chapter 16, Water Code, is  
22 amended by adding Sections 16.023 and 16.024 to read as follows:

23          Sec. 16.023. STRATEGIC MAPPING ACCOUNT. (a) The strategic  
24 mapping account is an account in the general revenue fund. The  
25 account consists of:

26                   (1) money directly appropriated to the board;

27                   (2) money transferred by the board from other funds

1 available to the board;

2 (3) money from gifts or grants from the United States  
3 government, state, regional, or local governments, educational  
4 institutions, private sources, or other sources;

5 (4) proceeds from the sale of maps, data,  
6 publications, and other items; and

7 (5) interest earned on the investment of money in the  
8 account and depository interest allocable to the account.

9 (b) The account may be appropriated only to the board to:

10 (1) develop, administer, and implement the strategic  
11 mapping program;

12 (2) provide grants to political subdivisions for  
13 projects related to the development, use, and dissemination of  
14 digital, geospatial information; and

15 (3) administer, implement, and operate other programs  
16 of the Texas Natural Resources Information System, including:

17 (A) the operation of a Texas-Mexico border region  
18 information center for the purpose of implementing Section 16.021  
19 (e)(5);

20 (B) the acquisition, storage, and distribution  
21 of historical maps, photographs, and paper map products;

22 (C) the maintenance and enhancement of  
23 information technology; and

24 (D) the production, storage, and distribution of  
25 other digital base maps, as determined by the executive  
26 administrator or a state agency that is a member of the Texas  
27 Geographic Information Council.

1        (c) The board may invest, reinvest, and direct the  
2 investment of any available money in the fund as provided by law for  
3 the investment of money under Section 404.024, Government Code.

4        Sec. 16.024. FINANCIAL ASSISTANCE FOR DIGITAL, GEOSPATIAL  
5 INFORMATION PROJECTS. (a) A political subdivision seeking a grant  
6 under Section 16.023 must file an application with the board.

7        (b) An application must be filed in the manner and form  
8 required by board rules.

9        (c) In reviewing an application by a political subdivision  
10 for a grant, the board shall consider:

11            (1) the degree to which the political subdivision has  
12 used other available resources to finance the development, use, and  
13 dissemination of digital, geospatial information;

14            (2) the willingness and ability of the political  
15 subdivision to develop, use, and disseminate digital, geospatial  
16 information; and

17            (3) the benefits that will be gained by making the  
18 grant.

19        (d) The board may approve a grant to a political subdivision  
20 only if the board finds that:

21            (1) the grant will supplement rather than replace  
22 money of the political subdivision;

23            (2) the public interest is served by providing the  
24 grant; and

25            (3) the grant will further the state's ability to  
26 gather, develop, use, and disseminate digital, geospatial  
27 information.

1           SECTION 2.14. Subsection (h), Section 16.053, Water Code,  
2 is amended by adding Subdivisions (10) and (11) to read as follows:

3           (10) The regional water planning group may amend the  
4 regional water plan after the plan has been approved by the board.  
5 Subdivisions (1)-(9) apply to an amendment to the plan in the same  
6 manner as those subdivisions apply to the plan.

7           (11) This subdivision applies only to an amendment to  
8 a regional water plan approved by the board. This subdivision does  
9 not apply to the adoption of a subsequent regional water plan for  
10 submission to the board as required by Subsection (i).  
11 Notwithstanding Subdivision (10), the regional water planning  
12 group may amend the plan in the manner provided by this subdivision  
13 if the executive administrator makes a written determination that  
14 the proposed amendment qualifies for adoption in the manner  
15 provided by this subdivision before the regional water planning  
16 group votes on adoption of the amendment. A proposed amendment  
17 qualifies for adoption in the manner provided by this subdivision  
18 only if the amendment is a minor amendment, as defined by board  
19 rules, that will not result in the overallocation of any existing or  
20 planned source of water, does not relate to a new reservoir, and  
21 will not have a significant effect on instream flows or freshwater  
22 inflows to bays and estuaries. If the executive administrator  
23 determines that a proposed amendment qualifies for adoption in the  
24 manner provided by this subdivision, the regional water planning  
25 group may adopt the amendment at a public meeting held in accordance  
26 with Chapter 551, Government Code. The proposed amendment must be  
27 placed on the agenda for the meeting, and notice of the meeting must

1 be given in the manner provided by Chapter 551, Government Code, at  
 2 least two weeks before the date the meeting is held. The public  
 3 must be provided an opportunity to comment on the proposed  
 4 amendment at the meeting.

5 SECTION 2.15. Subsection (r), Section 16.053, Water Code,  
 6 as added by Chapter 1097, Acts of the 79th Legislature, Regular  
 7 Session, 2005, is amended to read as follows:

8 (r) The board by rule shall provide for reasonable  
 9 flexibility to allow for a timely amendment of a regional water  
 10 plan, the board's approval of an amended regional water plan, and  
 11 the amendment of the state water plan. If an amendment under this  
 12 subsection is[7] to facilitate planning for water supplies  
 13 reasonably required for a clean coal project, as defined by Section  
 14 5.001, the[—The] rules may allow for amending a regional water  
 15 plan without providing notice and without a public meeting or  
 16 hearing under Subsection (h) if the amendment does not:

17 (1) significantly change the regional water plan, as  
 18 reasonably determined by the board; or

19 (2) adversely affect other water management  
 20 strategies in the regional water plan.

21 SECTION 2.16. Subchapter E, Chapter 16, Water Code, is  
 22 amended by adding Section 16.1311 to read as follows:

23 Sec. 16.1311. PRIORITY FOR WATER CONSERVATION. The board  
 24 shall give priority to applications for funds for implementation of  
 25 water supply projects in the state water plan by entities that:

26 (1) have already demonstrated significant water  
 27 conservation savings; or

1           (2) will achieve significant water conservation  
2 savings by implementing the proposed project for which the  
3 financial assistance is sought.

4           SECTION 2.17. Sections 16.315 and 16.319, Water Code, are  
5 amended to read as follows:

6           Sec. 16.315. POLITICAL SUBDIVISIONS; COMPLIANCE WITH  
7 FEDERAL REQUIREMENTS. All political subdivisions are hereby  
8 authorized to take all necessary and reasonable actions that are  
9 not less stringent than [~~to comply with~~] the requirements and  
10 criteria of the National Flood Insurance Program, including but not  
11 limited to:

12           (1) making appropriate land use adjustments to  
13 constrict the development of land which is exposed to flood damage  
14 and minimize damage caused by flood losses;

15           (2) guiding the development of proposed future  
16 construction, where practicable, away from a location which is  
17 threatened by flood hazards;

18           (3) assisting in minimizing damage caused by floods;

19           (4) authorizing and engaging in continuing studies of  
20 flood hazards in order to facilitate a constant reappraisal of the  
21 flood insurance program and its effect on land use requirements;

22           (5) engaging in floodplain management, [~~and~~] adopting  
23 and enforcing permanent land use and control measures that are not  
24 less stringent than those [~~consistent with the criteria~~]  
25 established under the National Flood Insurance Act, and providing  
26 for the imposition of penalties on landowners who violate this  
27 subchapter or rules adopted or orders issued under this subchapter;

1           (6) declaring property, when such is the case, to be in  
2 violation of local laws, regulations, or ordinances which are  
3 intended to discourage or otherwise restrict land development or  
4 occupancy in flood-prone areas and notifying the director, or  
5 whomever the director designates, of such property;

6           (7) consulting with, giving information to, and  
7 entering into agreements with the Federal Emergency Management  
8 Agency for the purpose of:

9           (A) identifying and publishing information with  
10 respect to all flood areas, including coastal areas; and

11           (B) establishing flood-risk zones in all such  
12 areas and making estimates with respect to the rates of probable  
13 flood-caused loss for the various flood-risk zones for each of  
14 these areas;

15           (8) cooperating with the director's studies and  
16 investigations with respect to the adequacy of local measures in  
17 flood-prone areas as to land management and use, flood control,  
18 flood zoning, and flood damage prevention;

19           (9) taking steps, using regional, watershed, and  
20 multi-objective approaches, to improve the long-range management  
21 and use of flood-prone areas;

22           (10) purchasing, leasing, and receiving property from  
23 the director when such property is owned by the federal government  
24 and lies within the boundaries of the political subdivision  
25 pursuant to agreements with the Federal Emergency Management Agency  
26 or other appropriate legal representative of the United States  
27 Government;

1           (11) requesting aid pursuant to the entire  
2 authorization from the commission;

3           (12) satisfying criteria adopted and promulgated by  
4 the commission pursuant to the National Flood Insurance Program;

5           (13) adopting permanent land use and control measures  
6 with enforcement provisions that are not less stringent than ~~[which~~  
7 ~~are consistent with]~~ the criteria for land management and use  
8 adopted by the director;

9           (14) adopting more comprehensive floodplain  
10 management rules that the political subdivision determines are  
11 necessary for planning and appropriate to protect public health and  
12 safety;

13           (15) participating in floodplain management and  
14 mitigation initiatives such as the National Flood Insurance  
15 Program's Community Rating System, Project Impact, or other  
16 initiatives developed by federal, state, or local government; and

17           (16) collecting reasonable fees to cover the cost of  
18 administering a local floodplain management program.

19       Sec. 16.319. QUALIFICATION.       Political subdivisions  
20 wishing to qualify under the National Flood Insurance Program shall  
21 have the authority to do so by complying with the directions of the  
22 Federal Emergency Management Agency and by:

23           (1) evidencing to the director a positive interest in  
24 securing flood insurance coverage under the National Flood  
25 Insurance Program; and

26           (2) giving to the director satisfactory assurance that  
27 measures will have been adopted for the political subdivision that



1 ~~[which measures]~~ will be not less stringent than ~~[consistent with]~~  
 2 the comprehensive criteria for land management and use developed by  
 3 the Federal Emergency Management Agency.

4 SECTION 2.18. Chapter 16, Water Code, is amended by adding  
 5 Subchapter K to read as follows:

6 SUBCHAPTER K. WATER CONSERVATION

7 Sec. 16.401. STATEWIDE WATER CONSERVATION PUBLIC AWARENESS  
 8 PROGRAM. (a) The executive administrator shall develop and  
 9 implement a statewide water conservation public awareness program  
 10 to educate residents of this state about water conservation. The  
 11 program shall take into account the differences in water  
 12 conservation needs of various geographic regions of the state and  
 13 shall be designed to complement and support existing local and  
 14 regional water conservation programs.

15 (b) The executive administrator is required to develop and  
 16 implement the program required by Subsection (a) in a state fiscal  
 17 biennium only if the legislature appropriates sufficient money in  
 18 that biennium specifically for that purpose.

19 Sec. 16.402. WATER CONSERVATION PLAN REVIEW. (a) Each  
 20 entity that is required to submit a water conservation plan to the  
 21 commission under this code shall submit a copy of the plan to the  
 22 executive administrator.

23 (b) Each entity that is required to submit a water  
 24 conservation plan to the executive administrator, board, or  
 25 commission under this code shall report annually to the executive  
 26 administrator on the entity's progress in implementing the plan.

27 (c) The executive administrator shall review each water

conservation plan and annual report to determine compliance with the minimum requirements established by Section 11.1271 and the submission deadlines developed under Subsection (e) of this section.

(d) The board may notify the commission if the board determines that an entity has violated this section or a rule adopted under this section. Notwithstanding Section 7.051(b), a violation of this section or of a rule adopted under this section is enforceable in the manner provided by Chapter 7 for a violation of a provision of this code within the commission's jurisdiction or of a rule adopted by the commission under a provision of this code within the commission's jurisdiction.

(e) The board and commission jointly shall adopt rules:

(1) identifying the minimum requirements and submission deadlines for the annual reports required by Subsection (b); and

(2) providing for the enforcement of this section and rules adopted under this section.

SECTION 2.19. Section 17.125, Water Code, is amended by adding Subsection (b-2) to read as follows:

(b-2) The board shall give priority to applications for funds for implementation of water supply projects in the state water plan by entities that:

(1) have already demonstrated significant water conservation savings; or

(2) will achieve significant water conservation savings by implementing the proposed project for which the

1 financial assistance is sought.

2 SECTION 2.20. Chapter 35, Water Code, is amended by adding  
3 Section 35.020 to read as follows:

4 Sec. 35.020. PUBLIC PARTICIPATION IN GROUNDWATER  
5 MANAGEMENT PROCESS. It is the policy of the state to encourage  
6 public participation in the groundwater management process in areas  
7 within a groundwater management area not represented by a  
8 groundwater conservation district.

9 SECTION 2.21. Section 36.113(d), Water Code, is amended to  
10 read as follows:

11 (d) Before granting or denying a permit or permit amendment,  
12 the district shall consider whether:

13 (1) the application conforms to the requirements  
14 prescribed by this chapter and is accompanied by the prescribed  
15 fees;

16 (2) the proposed use of water unreasonably affects  
17 existing groundwater and surface water resources or existing permit  
18 holders;

19 (3) the proposed use of water is dedicated to any  
20 beneficial use;

21 (4) the proposed use of water is consistent with the  
22 district's certified water management plan;

23 (5) if the well will be located in the Hill Country  
24 Priority Groundwater Management Area, the proposed use of water  
25 from the well is wholly or partly to provide water to a pond, lake,  
26 or reservoir to enhance the appearance of the landscape;

27 (6) the applicant has agreed to avoid waste and

1 achieve water conservation; and

2 (7) [~~46~~] the applicant has agreed that reasonable  
3 diligence will be used to protect groundwater quality and that the  
4 applicant will follow well plugging guidelines at the time of well  
5 closure.

6 SECTION 2.22. Section 36.117(d), Water Code, is amended to  
7 read as follows:

8 (d) Notwithstanding Subsection (b), a district may require  
9 a well to be permitted by the district and to comply with all  
10 district rules if:

11 (1) the withdrawals from a well in the Hill Country  
12 Priority Groundwater Management Area and exempted under Subsection  
13 (b)(1) are no longer used solely for domestic use or to provide  
14 water for livestock or poultry;

15 (2) the purpose of a well exempted under Subsection  
16 (b)(2) is no longer solely to supply water for a rig that is  
17 actively engaged in drilling or exploration operations for an oil  
18 or gas well permitted by the Railroad Commission of Texas; or

19 (3) [~~42~~] the withdrawals from a well exempted under  
20 Subsection (b)(3) are no longer necessary for mining activities or  
21 are greater than the amount necessary for mining activities  
22 specified in the permit issued by the Railroad Commission of Texas  
23 under Chapter 134, Natural Resources Code.

24 SECTION 2.23. Subchapter H, Chapter 49, Water Code, is  
25 amended by adding Section 49.2205 to read as follows:

26 Sec. 49.2205. USE OF RIGHT-OF-WAY EASEMENTS FOR CERTAIN  
27 ENERGY-RELATED PURPOSES. (a) To foster the generation and

transmission of electricity from clean coal projects, as defined by  
Section 5.001, renewable energy technology projects, and the  
capture and storage of carbon dioxide and other greenhouse gases, a  
district or water supply corporation may allow others to construct,  
maintain, and operate transmission lines and pipelines over, under,  
across, on, or along rights-of-way and easements of the district or  
water supply corporation for transmission of electricity generated  
by those projects and the transportation of carbon dioxide and  
other greenhouse gases, unless the use:

(1) is incompatible with the public use for which the  
easement was acquired or condemned; or

(2) compromises public health or safety.

(b) The district or water supply corporation is not required  
to obtain additional consideration for the construction,  
maintenance, and operation of the transmission lines and pipelines  
under this section if the person constructing, maintaining, and  
operating the transmission lines and pipelines bears all costs of  
the construction, maintenance, and operation of the transmission  
lines and pipelines and restoring the property. The activities  
authorized by this subsection may be exercised only with the  
consent of and subject to the direction of the governing body of the  
district or water supply corporation.

(c) A person that is subject to Subsection (a) that acquires  
a right-of-way easement on real property for a public use may  
include in the notice of the acquisition a statement that to foster  
the generation and transmission of electricity from clean coal  
projects as defined by Section 5.001, Water Code, renewable energy

1 technology projects, and the capture and storage of carbon dioxide  
2 and other greenhouse gases, water districts and water supply  
3 corporations may allow others to construct, maintain, and operate  
4 transmission lines and pipelines over, under, across, on, or along  
5 the rights-of-way and easements for the transmission of electricity  
6 that is generated by those projects and transportation of carbon  
7 dioxide and other greenhouse gases, unless the use:

8 (1) is incompatible with the public use for which the  
9 easement was acquired or condemned; or

10 (2) compromises public health or safety.

11 (d) This section applies only to a right-of-way or easement  
12 acquired by the district or water supply corporation on or after  
13 September 1, 2007.

14 (e) This section does not apply to a right-of-way or  
15 easement that is used for the transmission of electricity without  
16 the consent of a person owning the transmission lines if that use  
17 began before September 1, 2007.

18 SECTION 2.24. Chapter 49, Water Code, is amended by adding  
19 Subchapter O to read as follows:

20 SUBCHAPTER O. EFFECT OF SUBDIVISION OF NONAGRICULTURAL LAND ON  
21 WATER RIGHTS

22 Sec. 49.501. DEFINITION. In this subchapter, "municipal  
23 water supplier" means a municipality or a water supply corporation.

24 Sec. 49.502. APPLICABILITY. This subchapter applies only  
25 to a district, other than a drainage district, located wholly or  
26 partly in a county:

27 (1) that borders the Gulf of Mexico and the United

1 Mexican States; or

2 (2) that is adjacent to a county described by  
3 Subdivision (1).

4 Sec. 49.503. PETITION BY MUNICIPAL WATER SUPPLIER TO  
5 CONVERT WATER USE AFTER SUBDIVISION. (a) This section applies  
6 only to land:

7 (1) that is:

8 (A) subdivided into town lots or blocks or small  
9 parcels of the same general nature as town lots or blocks;

10 (B) designed, intended, or suitable for  
11 residential or other nonagricultural purposes, including streets,  
12 alleys, parkways, parks, detention or retention ponds, and railroad  
13 property and rights-of-way; or

14 (C) in a subdivision created to meet the  
15 requirements of a governmental entity authorized to require a  
16 recorded plat of subdivided lands;

17 (2) that is in a subdivision for which a plat or map  
18 has been filed and recorded in the office of the county clerk of  
19 each county in which the subdivision is wholly or partly located;  
20 and

21 (3) that is or was assessed as flat rate irrigable  
22 property in the municipal water supplier's certificated service  
23 area or its corporate area.

24 (b) A municipal water supplier that serves land described by  
25 Subsection (a) may petition the district in accordance with this  
26 section to convert the proportionate irrigation water right to the  
27 Rio Grande from irrigation use to municipal use with municipal

1 priority of allocation under commission rules, for the use and  
2 benefit of the municipal supplier.

3 (c) The municipal water supplier must file the petition with  
4 the district not later than January 1 after the expiration of two  
5 years after the date the plat or map was recorded under Subsection  
6 (a). The district shall consider the petition not later than  
7 January 31 of the year following the year in which the petition was  
8 filed.

9 (d) The petition must identify by subdivision name or other  
10 sufficient description the land that the municipal water supplier  
11 supplies or has the right to supply potable water.

12 (e) This section applies only to one subdivision of the land  
13 recorded under Subsection (a). This section does not apply to any  
14 further subdivision of the same property.

15 Sec. 49.504. EFFECT OF MUNICIPAL WATER SUPPLIER'S FAILURE  
16 TO FILE A PETITION. (a) If a municipal water supplier does not  
17 file a petition under Section 49.503, the district may retain the  
18 water rights for use by the district or may declare the water as  
19 excess and contract for the sale or use of the water as determined  
20 by the district.

21 (b) Before a district may contract for the sale or use of  
22 water for more than one year with a purchaser located outside of a  
23 county described by Section 49.502, the district must, for 90 days:

24 (1) make the water available under the same terms to  
25 all municipal water suppliers located in those counties; and

26 (2) advertise the offer to sell or contract for the use  
27 of the water by posting notice on:



1                    (A) any website of the Rio Grande Watermaster's  
2 Office;

3                    (B) any website of the Rio Grande Regional Water  
4 Authority; and

5                    (C) the official posting place for the district's  
6 board meetings at the district's office.

7            (c) If, after the 90th day after the last date on which the  
8 district posted notice, a municipal water supplier in a county  
9 described by Section 49.502 has not contracted with the district  
10 for the sale or use of the water, the district may contract with any  
11 other person for the sale or use of the water under the terms of the  
12 offer advertised under Subsection (b).

13            Sec. 49.505. CALCULATION OF PROPORTIONATE WATER RIGHTS. A  
14 district that receives a petition under Section 49.503 shall  
15 compute the proportionate amount of water rights to the Rio Grande.  
16 The proportionate amount of water rights is equal to the amount of  
17 irrigable acres of land in the subdivision multiplied by the lesser  
18 of:

19                    (1) 1.25 acre-feet per irrigable acre; or

20                    (2) the sum of all irrigation water rights owned by the  
21 district on September 1, 2007, as if the water rights had been  
22 converted to municipal use under applicable commission rules,  
23 divided by the total amount of irrigable acres of land in the  
24 district on September 1, 2007.

25            Sec. 49.506. PROVISION OR CONVERSION OF PROPORTIONATE WATER  
26 RIGHTS BY DISTRICT. (a) Not later than the second anniversary of  
27 the date the municipal water supplier files a petition under

1 Section 49.503:

2 (1) a district shall provide the municipal water  
3 supplier with the proportionate water rights described by Section  
4 49.505 from the district's existing water rights; or

5 (2) a district shall, if the district does not have  
6 sufficient existing water rights:

7 (A) apply for appropriate amendments to the  
8 district's water rights under commission rules to convert the  
9 proportionate water rights from irrigation use to municipal use  
10 with municipal priority of allocation; and

11 (B) provide to the municipal water supplier the  
12 converted rights described by Section 49.505.

13 (b) The district may continue to use the irrigation use  
14 water for district purposes until:

15 (1) the commission approves the amendment to the  
16 district's water rights; or

17 (2) the water is otherwise provided to the municipal  
18 water supplier.

19 (c) A district that applies for appropriate amendments  
20 under Subsection (a)(2) shall provide the municipal water supplier  
21 with an estimate of the district's reasonable costs for the  
22 administrative proceedings. The district is not required to begin  
23 the proceedings until the municipal water supplier deposits the  
24 amount of the estimate with the district. The municipal water  
25 supplier shall pay the district any reasonable costs that exceed  
26 the estimate. The district shall refund the balance of the deposit  
27 if the actual cost is less than the estimate.

1       Sec. 49.507. CONTRACT TO PURCHASE PROPORTIONATE WATER  
2 RIGHTS; WATER RIGHTS SALE CONTRACT. (a) A municipal water  
3 supplier may contract to purchase the proportionate water rights  
4 described by Section 49.505.

5       (b) The purchase price may not exceed 68 percent of the  
6 current market value, as determined under Section 49.509, for the  
7 year that the municipal water supplier petitions the district.

8       (c) The contract must be in writing in a document entitled  
9 "Water Rights Sales Contract."

10       (d) The contract must include the purchase price for the  
11 water rights or, if the consideration for the sale is not monetary,  
12 the terms of the sale.

13       (e) The municipal water supplier shall file the contract  
14 with the Rio Grande watermaster not later than the 10th day after  
15 the date the contract is executed.

16       (f) The municipal water supplier shall pay the purchase  
17 price when the proportionate amount of water rights is made  
18 available to the municipal water supplier.

19       Sec. 49.508. CONTRACT TO USE PROPORTIONATE WATER RIGHTS;  
20 WATER SUPPLY CONTRACT. (a) A municipal water supplier may  
21 contract to use water associated with the proportionate water  
22 rights described by Section 49.505.

23       (b) The contract must be for at least 40 years.

24       (c) The price for the contractual right to use the municipal  
25 use water is based on an amount for one acre-foot of municipal use  
26 water with a municipal use priority of allocation and may not exceed  
27 the sum of:

1           (1) an amount equal to the district's annual flat rate  
2 charge per assessed acre; and

3           (2) the equivalent of the charge for four irrigations  
4 per flat rate acre of irrigable property in the district.

5           (d) The parties to the contract shall agree on the terms of  
6 payment of the contract price.

7           (e) The board periodically shall determine the flat rate  
8 charge and irrigation per acre charge described by Subsection (c).

9           (f) The contract must be in writing in a document entitled  
10 "Water Supply Contract." The contract may contain any terms to  
11 which the parties agree.

12           (g) The municipal water supplier shall file the contract  
13 with the Rio Grande watermaster not later than the 10th day after  
14 the date the contract is executed.

15           Sec. 49.509. DUTY OF RIO GRANDE REGIONAL WATER AUTHORITY TO  
16 CALCULATE CURRENT MARKET VALUE. (a) The Rio Grande Regional Water  
17 Authority annually at its January meeting shall calculate the  
18 current market value by using the average price per acre-foot of  
19 municipal use water after conversion from irrigation use water to  
20 municipal use water with a municipal priority of allocation under  
21 commission rules of the last three purchases involving:

22               (1) a municipal water supplier;

23               (2) a party other than a municipal water supplier; and

24               (3) at least 100 acre-feet of municipal use water,  
25 with municipal priority of allocation.

26           (b) The Rio Grande Regional Water Authority shall use  
27 information from the water rights sales contracts reported to the

1 Rio Grande Watermaster's Office to calculate the current market  
2 value.

3 (c) The Rio Grande Regional Water Authority shall make the  
4 calculation:

5 (1) without charging any of the parties involved; and  
6 (2) using 100 percent of the value of monetary  
7 exchanges, not in-kind exchanges.

8 Sec. 49.510. ACCOUNTING FOR SALE OF WATER RIGHTS. A  
9 district shall maintain an accounting of money received from the  
10 sale of water rights under this subchapter.

11 Sec. 49.511. CAPITAL IMPROVEMENTS. A district shall  
12 designate at least 75 percent of the proceeds from the sale of water  
13 rights for capital improvements in the district.

14 Sec. 49.512. MAP OF SERVICE AREA. (a) In this section,  
15 "outer boundaries of a district" means district boundaries without  
16 considering any exclusion of land from inside the district.

17 (b) Each municipal water supplier that has a certificate of  
18 convenience and necessity service area in the outer boundaries of a  
19 district shall file a map of the service area with the district.

20 (c) The municipal water supplier shall update the map and  
21 forward the map to the district when changes are made.

22 (d) A district periodically shall provide to a municipal  
23 water supplier that serves territory in the district a copy of the  
24 district's map showing the outer boundaries of the district.

25 (e) A district may request from a municipal water supplier a  
26 map of the municipal supplier's service area, and a municipal water  
27 supplier may request from the district a map of the district's outer

1 boundaries. On request, the district and a municipal water  
2 supplier shall provide the map free of charge to each other at least  
3 one time each year. If the district or municipal water supplier  
4 receives more than one request a year for a map, the district or  
5 municipal water supplier may charge a reasonable fee for the map.

6 SECTION 2.25. Subchapter Z, Chapter 51, Education Code, is  
7 amended by adding Section 51.969 to read as follows:

8 Sec. 51.969. ON-SITE RECLAIMED SYSTEM TECHNOLOGIES  
9 CURRICULUM. The Texas Higher Education Coordinating Board shall  
10 encourage each institution of higher education to develop  
11 curriculum and provide related instruction regarding on-site  
12 reclaimed system technologies, including rainwater harvesting,  
13 condensate collection, or cooling tower blow down.

14 SECTION 2.26. Chapter 68, Education Code, is amended by  
15 adding Subchapter B to read as follows:

16 SUBCHAPTER B. POWERS AND DUTIES OF BOARD

17 Sec. 68.21. SUSTAINABLE WATER SUPPLY RESEARCH CENTER. (a)  
18 In this section, "center" means the Sustainable Water Supply  
19 Research Center.

20 (b) The board may establish and operate the Sustainable  
21 Water Supply Research Center as part of The University of Texas at  
22 Arlington.

23 (c) If established, the center shall:

24 (1) conduct, sponsor, or direct multidisciplinary  
25 research directed toward:

26 (A) promoting water conservation through  
27 development of a sustainable water supply for this state; and

1                    (B) mitigating the effect of diminishing water  
2 supplies on the economy and people of this state; and

3                    (2) conduct a comprehensive, interdisciplinary  
4 instructional program in water conservation with emphasis on  
5 development of a sustainable water supply at the graduate level and  
6 offer undergraduate courses for students interested in water  
7 conservation and sustainable water supply development.

8                    (d) The organization, control, and management of the center  
9 are vested in the board.

10                   (e) The center may enter into an agreement or may cooperate  
11 with a public or private entity to perform the research functions of  
12 the center.

13                   (f) The board may solicit, accept, and administer gifts and  
14 grants from any public or private source for the use and benefit of  
15 the center.

16                   SECTION 2.27. Section 447.004, Government Code, is amended  
17 by adding Subsection (c-1) to read as follows:

18                   (c-1) The procedural standards adopted under this section  
19 must require that on-site reclaimed system technologies, including  
20 rainwater harvesting, condensate collection, or cooling tower blow  
21 down, or a combination of those system technologies, for nonpotable  
22 indoor use and landscape watering be incorporated into the design  
23 and construction of:

24                   (1) each new state building with a roof measuring at  
25 least 10,000 square feet; and

26                   (2) any other new state building for which the  
27 incorporation of such systems is feasible.

SECTION 2.28. Section 341.042, Health and Safety Code, is amended to read as follows:

Sec. 341.042. STANDARDS FOR HARVESTED RAINWATER. (a) The commission shall establish recommended standards relating to the domestic use of harvested rainwater, including health and safety standards for treatment and collection methods for harvested rainwater intended for drinking, cooking, or bathing.

(b) The commission by rule shall provide that if a structure is connected to a public water supply system and has a rainwater harvesting system for indoor use:

(1) the structure must have appropriate cross-connection safeguards; and

(2) the rainwater harvesting system may be used only for nonpotable indoor purposes.

(c) Standards and rules adopted by the commission under this chapter governing public drinking water supply systems do not apply to a person:

(1) who harvests rainwater for domestic use; and

(2) whose property is not connected to a public drinking water supply system.

SECTION 2.29. Subsection (b), Section 212.0101, Local Government Code, is amended to read as follows:

(b) The Texas [~~Natural Resource Conservation~~] Commission on Environmental Quality by rule shall establish the appropriate form and content of a certification to be attached to a plat application under this section.

SECTION 2.30. Subsection (b), Section 232.0032, Local



Government Code, is amended to read as follows:

(b) The Texas [~~Natural Resource Conservation~~] Commission on Environmental Quality by rule shall establish the appropriate form and content of a certification to be attached to a plat application under this section.

SECTION 2.31. Chapter 401, Local Government Code, is amended by adding Section 401.006 to read as follows:

Sec. 401.006. WATER CONSERVATION BY HOME-RULE MUNICIPALITY. A home-rule municipality may adopt and enforce ordinances requiring water conservation in the municipality and by customers of the municipality's municipally owned water and sewer utility in the extraterritorial jurisdiction of the municipality.

SECTION 2.32. Subchapter Z, Chapter 402, Local Government Code, is amended by adding Section 402.911 to read as follows:

Sec. 402.911. DUTIES OF WATER SERVICE PROVIDER TO AN AREA SERVED BY SEWER SERVICE OF CERTAIN POLITICAL SUBDIVISIONS. (a) This section applies only to an area:

(1) that is located in a county that has a population of more than 1.3 million; and

(2) in which a customer's sewer service is provided by a municipality or conservation and reclamation district that also provides water service to other customers and the same customer's water service is provided by another entity.

(b) For each person the water service provider serves in an area to which this section applies, the water service provider shall provide the municipality or district with any relevant customer information so that the municipality or district may bill

1 users of the sewer service directly and verify the water  
2 consumption of users. Relevant customer information provided under  
3 this section includes the name, address, and telephone number of  
4 the customer of the water service provider, the monthly meter  
5 readings of the customer, monthly consumption information,  
6 including any billing adjustments, and certain meter information,  
7 such as brand, model, age, and location.

8 (c) The municipality or district shall reimburse the water  
9 service provider for its reasonable and actual incremental costs  
10 for providing services to the municipality or district under this  
11 section. Incremental costs are limited to only those costs that are  
12 in addition to the water service provider's costs in providing its  
13 services to its customers, and those costs must be consistent with  
14 the costs incurred by other water utility providers. Only if  
15 requested by the wastewater provider, the water service provider  
16 must provide the municipality or district with documentation  
17 certified by a certified public accountant of the reasonable and  
18 actual incremental costs for providing services to the municipality  
19 or district under this section.

20 (d) A municipality or conservation and reclamation district  
21 may provide written notice to a person to whom the municipality's or  
22 district's sewer service system provides service if the person has  
23 failed to pay for the service for more than 90 days. The notice must  
24 state the past due amount owed and the deadline by which the past  
25 due amount must be paid or the person will lose water service. The  
26 notice may be sent by mail or hand-delivered to the location at  
27 which the sewer service is provided.

(e) The municipality or district may notify the water service provider of a person who fails to make timely payment after the person receives notice under Subsection (d). The notice must indicate the number of days the person has failed to pay for sewer service and the total amount past due. On receipt of the notice, the water service provider shall discontinue water service to the person.

(f) This section does not apply to a nonprofit water supply or sewer service corporation created under Chapter 67, Water Code, or a district created under Chapter 65, Water Code.

SECTION 2.33. Section 430.003, Local Government Code, is amended to read as follows:

Sec. 430.003. EXEMPTIONS OF CERTAIN ~~[STATE]~~ PROPERTY FROM INFRASTRUCTURE FEES. No county, municipality, or utility district may collect from a state agency or a public or private institution of higher education any fee charged for the development or maintenance of programs or ~~[of]~~ facilities for the control of excess water or storm water.

SECTION 2.34. Section 1903.053, Occupations Code, is amended to read as follows:

Sec. 1903.053. STANDARDS. (a) The commission shall adopt by rule and enforce standards governing:

(1) the connection of irrigation systems to any water supply;

(2) the design, installation, and operation of irrigation systems;

(3) water conservation; and

1           (4) the duties and responsibilities of licensed  
2 irrigators.

3           ~~(b) [The commission may adopt standards for irrigation that~~  
4 ~~include water conservation, irrigation system design and~~  
5 ~~installation, and compliance with municipal codes.~~

6           ~~[(c)]~~ The commission may not require or prohibit the use of  
7 any irrigation system, component part, or equipment of any  
8 particular brand or manufacturer.

9           (c) In adopting standards under this section, the  
10 commission shall consult the council.

11           SECTION 2.35. (a) In this section, "board" means the Texas  
12 Water Development Board.

13           (b) The board, in coordination with the Far West Texas  
14 Regional Water Planning Group established pursuant to Section  
15 16.053, Water Code, shall conduct a study regarding the possible  
16 impact of climate change on surface water supplies from the Rio  
17 Grande.

18           (c) In conducting the study, the board shall convene a  
19 conference within the Far West Texas regional water planning area  
20 designated pursuant to Section 16.053, Water Code, to review:

21           (1) any analysis conducted by a state located to the  
22 west of this state regarding the impact of climate change on surface  
23 water supplies in that state;

24           (2) any other current analysis of potential impacts of  
25 climate change on surface water resources; and

26           (3) recommendations for incorporation of potential  
27 impacts of climate change into the Far West Texas Regional Water

1 Plan, including potential impacts to the Rio Grande in Texas  
2 subject to the Rio Grande Compact and identification of feasible  
3 water management strategies to offset any potential impacts.

4 (d) The conference should include, but not be limited to,  
5 the participation of representatives of:

- 6 (1) the Far West Texas Regional Water Planning Group;
- 7 (2) water authorities;
- 8 (3) industrial customers;
- 9 (4) agricultural interests;
- 10 (5) municipalities;
- 11 (6) fishing or recreational interests;
- 12 (7) environmental advocacy organizations; and
- 13 (8) institutions of higher education.

14 (e) Not later than December 31, 2008, the board shall submit  
15 to the legislature a written report regarding the study findings  
16 under this section.

17 SECTION 2.36. (a) Chapter 9, Water Code, is repealed.

18 (b) The Texas Water Advisory Council is abolished on the  
19 effective date of this article.

20 SECTION 2.37. Chapter 64, Water Code, is repealed.

21 SECTION 2.38. As soon as practicable on or after the  
22 effective date of this article, the Texas Water Development Board  
23 shall appoint the initial members of the Water Conservation  
24 Advisory Council, as required by Section 10.003, Water Code, as  
25 added by this article. In making the initial appointments, the  
26 board shall designate seven members to serve terms expiring August  
27 31, 2009, eight members to serve terms expiring August 31, 2011, and

1 eight members to serve terms expiring August 31, 2013.

2 SECTION 2.39. The changes made by this Act to Section  
3 13.2451, Water Code, apply only to:

4 (1) an application for a certificate of public  
5 convenience and necessity or for an amendment to a certificate of  
6 public convenience and necessity submitted to the Texas Commission  
7 on Environmental Quality on or after the effective date of this Act;

8 (2) a proceeding to amend or revoke a certificate of  
9 public convenience and necessity initiated on or after the  
10 effective date of this Act;

11 (3) a certificate of public convenience and necessity  
12 issued to a municipality, regardless of the date the certificate  
13 was issued;

14 (4) an application by a municipality or by a utility  
15 owned by a municipality for a certificate of public convenience and  
16 necessity or for an amendment to a certificate, regardless of the  
17 date the application was filed; and

18 (5) a proceeding to amend or revoke a certificate of  
19 public convenience and necessity held by a municipality or by a  
20 utility owned by a municipality, regardless of the date the  
21 proceeding was initiated.

22 SECTION 2.40. Sections 15.102 and 17.125, Water Code, as  
23 amended by this article, and Sections 15.9751 and 16.1311, Water  
24 Code, as added by this article, apply only to an application for  
25 financial assistance filed with the Texas Water Development Board  
26 on or after the effective date of this article. An application for  
27 financial assistance filed before the effective date of this

1 article is governed by the law in effect on the date the application  
2 was filed, and the former law is continued in effect for that  
3 purpose.

4 SECTION 2.41. The change in law made by Subchapter O,  
5 Chapter 49, Water Code, as added by this Act, applies only to a  
6 subdivision for which a plat or map has been recorded in the office  
7 of the county clerk of a county on or after the effective date of  
8 this Act. A subdivision for which a plat or map was recorded before  
9 the effective date of this Act is covered by the law in effect on the  
10 date the plat or map was recorded, and the former law is continued  
11 in effect for that purpose.

12 SECTION 2.42. Not later than June 1, 2008, the Texas  
13 Commission on Environmental Quality shall adopt standards as  
14 required by Section 1903.053, Occupations Code, as amended by this  
15 article, to take effect January 1, 2009.

16 SECTION 2.43. Section 2.27 of this article, adding Section  
17 447.004(c-1), Government Code, takes effect September 1, 2009.

18 ARTICLE 3. CONSTRUCTION AND OPERATION OF RESERVOIRS

19 SECTION 3.01. Section 16.051, Water Code, is amended by  
20 adding Subsection (i) to read as follows:

21 (i) For purposes of this section, the acquisition of fee  
22 title or an easement by a political subdivision for the purpose of  
23 providing retail public utility service to property in the  
24 reservoir site or allowing an owner of property in the reservoir  
25 site to improve or develop the property may not be considered a  
26 significant impairment that prevents the construction of a  
27 reservoir site under Subsection (g). A fee title or easement

1 acquired under this subsection may not be considered the basis for  
2 preventing the future acquisition of land needed to construct a  
3 reservoir on a designated site.

4 SECTION 3.02. Subchapter E, Chapter 16, Water Code, is  
5 amended by adding Sections 16.143 and 16.144 to read as follows:

6 Sec. 16.143. OPTION TO LEASE. (a) A former owner of real  
7 property used for agricultural purposes that was acquired,  
8 voluntarily or through the exercise of the power of eminent domain,  
9 for a reservoir whose site has been designated as unique for the  
10 construction of a reservoir under Section 16.051(g) is entitled to  
11 lease the property from the person who acquired the property under  
12 terms that allow the former owner to continue to use the property  
13 for agricultural purposes until the person who acquired the  
14 property determines that such use must be terminated to allow for  
15 the physical construction of the reservoir. Consistent with  
16 Subsection (b), the lease is subject to the terms and conditions set  
17 forth by the person who has acquired the property that are related  
18 to the use of the property by the former owner, including the term  
19 of the lease, the rent the former owner is required to pay under the  
20 lease, and the uses that may be allowed on the property during the  
21 term of the lease.

22 (b) A former owner of real property used for agricultural  
23 purposes is entitled to lease the property for the property's  
24 agricultural rental value until the person who acquired the  
25 property determines that the lease must be terminated to allow for  
26 the physical construction of the reservoir.

27 Sec. 16.144. ENVIRONMENTAL MITIGATION. (a) If a person



1 proposing to construct a reservoir whose site has been designated  
2 as unique for the construction of a reservoir under Section  
3 16.051(g) is required to mitigate future adverse environmental  
4 effects arising from the construction or operation of the reservoir  
5 or its related facilities, the person shall, if authorized by the  
6 applicable regulatory authority, attempt to mitigate those effects  
7 by offering to contract with and pay an amount of money to an owner  
8 of real property located outside of the reservoir site to maintain  
9 the property through an easement instead of acquiring the fee  
10 simple title to the property for that purpose.

11 (b) An owner of real property may reject an offer made under  
12 Subsection (a). If agreement on the terms of an easement under  
13 Subsection (a) cannot be reached by the parties after a good faith  
14 attempt and offer is made, then the party constructing the  
15 reservoir may obtain fee title to the property through voluntary or  
16 involuntary means.

17 ARTICLE 4. UNIQUE RESERVOIR SITES AND SITES OF UNIQUE ECOLOGICAL  
18 VALUE

19 SECTION 4.01. Section 16.051, Water Code, is amended by  
20 adding Subsection (g-1) to read as follows:

21 (g-1) Notwithstanding any other provisions of law, a site is  
22 considered to be a designated site of unique value for the  
23 construction of a reservoir if the site is recommended for  
24 designation in the 2007 state water plan adopted by the board and in  
25 effect on May 1, 2007. The designation of a unique reservoir site  
26 under this subsection terminates on September 1, 2015, unless there  
27 is an affirmative vote by a proposed project sponsor to make

1 expenditures necessary in order to construct or file applications  
2 for permits required in connection with the construction of the  
3 reservoir under federal or state law.

4 SECTION 4.02. DESIGNATION OF SITES OF UNIQUE ECOLOGICAL  
5 VALUE. The legislature, as authorized by Subsection (f), Section  
6 16.051, Water Code, designates those river or stream segment sites  
7 recommended in the 2007 state water plan as being of unique  
8 ecological value.

9 SECTION 4.03. RESTRICTION ON ELIGIBILITY TO HOLD WATER  
10 RIGHTS; LIABILITY FOR CONSTRUCTION, OPERATION, AND MAINTENANCE  
11 COSTS. (a) This section applies only to the proposed Marvin  
12 Nichols and Lake Fastrill reservoirs.

13 (b) The right to appropriate at least 20 percent of the  
14 quantity of water that is authorized to be appropriated from each  
15 proposed reservoir must be held by one or more entities located in  
16 the regional water planning area in which the reservoir is to be  
17 located.

18 (c) If one or more entities located outside the regional  
19 water planning area in which a proposed reservoir is to be located  
20 are to hold the right to appropriate a majority of the quantity of  
21 water that is authorized to be appropriated from the reservoir,  
22 that entity or those entities must pay all of the costs of  
23 constructing, operating, and maintaining the reservoir until such  
24 time as one or more entities located in the regional water planning  
25 area in which the reservoir is to be located begins diverting water.  
26 At such time, the entity or entities making a diversion shall pay a  
27 pro-rata share of the cost of operating and maintaining the

1 reservoir.

2 SECTION 4.04. STUDY COMMISSION ON REGION C WATER SUPPLY.

3 (a) The Study Commission on Region C Water Supply is established.  
4 The study commission consists of six members as follows:

5 (1) three members appointed by the Region C Regional  
6 Water Planning Group; and

7 (2) three members appointed by the Region D Regional  
8 Water Planning Group.

9 (b) A member of the study commission may be, but is not  
10 required to be, a voting member of the regional water planning group  
11 that appointed the member.

12 (c) The members of the study commission shall select a  
13 presiding officer from among the members.

14 (d) Members of the study commission are not entitled to  
15 compensation for service on the study commission but may be  
16 reimbursed for travel expenses incurred while conducting the  
17 business of the study commission, as provided for in the General  
18 Appropriations Act.

19 (e) The study commission shall:

20 (1) review the water supply alternatives available to  
21 the Region C Regional Water Planning Area, including obtaining  
22 additional water supply from Wright Patman Lake, Toledo Bend  
23 Reservoir, Lake Texoma, Lake o' the Pines, other existing and  
24 proposed reservoirs, and groundwater;

25 (2) in connection with the review under Subdivision  
26 (1) of this subsection, analyze the socioeconomic effect on the  
27 area where the water supply is located that would result from the

1 use of the water to meet the water needs of the Region C Regional  
2 Water Planning Area, including:

3 (A) the effects on landowners, agricultural and  
4 natural resources, businesses, industries, and taxing entities of  
5 different water management strategies; and

6 (B) in connection with the use by the Region C  
7 Regional Water Planning Area of water from Wright Patman Lake, the  
8 effect on water availability in that lake and the effect on  
9 industries relying on that water availability;

10 (3) determine whether water demand in the Region C  
11 Regional Water Planning Area may be reduced through additional  
12 conservation and reuse measures so as to postpone the need for  
13 additional water supplies;

14 (4) evaluate measures that would need to be taken to  
15 comply with the mitigation requirements of the United States Army  
16 Corps of Engineers in connection with any proposed new reservoirs,  
17 including identifying potential mitigation sites;

18 (5) consider whether the mitigation burden described  
19 by Subdivision (4) of this subsection may be shared by the Regions C  
20 and D Regional Water Planning Areas in proportion to the allocation  
21 to each region of water in any proposed reservoir;

22 (6) review innovative methods of compensation to  
23 affected property owners, including royalties for water stored on  
24 acquired properties and annual payments to landowners for  
25 properties acquired for the construction of a reservoir to satisfy  
26 future water management strategies;

27 (7) evaluate the minimum number of surface acres

1 required for the construction of proposed reservoirs in order to  
2 develop adequate water supply; and

3 (8) identify the locations of proposed reservoir sites  
4 and proposed mitigation sites, as applicable, as selected in  
5 accordance with existing state and federal law, in the Regions C and  
6 D Regional Water Planning Areas using satellite imagery with  
7 sufficient resolution to permit land ownership to be determined.

8 (f) The study commission may not be assisted by any person  
9 that is a party to or is employed by a party to a contract to perform  
10 engineering work with respect to site selection, permitting,  
11 design, or construction of the proposed Marvin Nichols reservoir.

12 (g) The Texas Water Development Board, on request of the  
13 study commission, may provide staff support or other assistance  
14 necessary to enable the study commission to carry out its duties.  
15 The Texas Water Development Board shall provide funding for the  
16 study commission, including funding of any studies conducted by the  
17 study commission, from the regional planning budget of the board.

18 (h) Not later than December 1, 2010, the study commission  
19 shall deliver a report to the governor, lieutenant governor, and  
20 speaker of the house of representatives that includes:

- 21 (1) any studies completed by the study commission;  
22 (2) any legislation proposed by the study commission;  
23 (3) a recommendation as to whether Marvin Nichols  
24 should remain a designated reservoir site; and  
25 (4) other findings and recommendations of the study  
26 commission.

27 (i) The study commission is abolished and this section

1 expires December 31, 2011.

2       SECTION 4.05. EFFECTIVE DATE. This article takes effect  
3 immediately if this Act receives a vote of two-thirds of all the  
4 members elected to each house, as provided by Section 39, Article  
5 III, Texas Constitution. If this Act does not receive the vote  
6 necessary for immediate effect, this article takes effect September  
7 1, 2007.

8       ARTICLE 5. LEGISLATIVE JOINT INTERIM COMMITTEE

9       SECTION 5.01. (a) In this section, "committee" means the  
10 joint interim committee on state water funding.

11       (b) The committee is composed of eight members as follows:

12               (1) the chair of the Senate Committee on Natural  
13 Resources and the chair of the House Committee on Natural Resources  
14 who shall serve as joint chairs of the committee;

15               (2) three members of the senate appointed by the  
16 lieutenant governor; and

17               (3) three members of the house of representatives  
18 appointed by the speaker of the house of representatives.

19       (c) An appointed member of the committee serves at the  
20 pleasure of the appointing official.

21       (d) The committee shall meet at least annually with the  
22 executive director of the Texas Commission on Environmental Quality  
23 and the executive administrator of the Texas Water Development  
24 Board to:

25               (1) receive information on water infrastructure needs  
26 as identified in the state water plan;

27               (2) receive information on infrastructure cost and

1 funding options to be used by local entities to meet the needs  
2 identified in the state water plan;

3 (3) receive analyses of the funding gap and  
4 recommendations on how to address those funding needs;

5 (4) receive information on whether all water fees  
6 assessed are sufficient to support the required regulatory  
7 water-related state program functions and activities; and

8 (5) identify viable, sustainable, dedicated revenues  
9 and fee sources, or increases to existing revenue and fees, to  
10 support state water programs and to provide for natural resources  
11 data collection and dissemination, financial assistance programs,  
12 and water resources planning, including funding to implement water  
13 management strategies in the state water plan.

14 (e) The committee may hold hearings and may request reports  
15 and other information from state agencies as necessary to carry out  
16 this section.

17 (f) The Senate Committee on Natural Resources and the House  
18 Committee on Natural Resources shall provide staff necessary for  
19 the committee to fulfill its duties.

20 (g) Not later than December 1, 2008, the committee shall  
21 report to the governor, the lieutenant governor, and the speaker of  
22 the house of representatives on the committee's activities under  
23 Subsection (d) of this section. The report shall include  
24 recommendations of any legislative action necessary to address  
25 funding needs to support the state's water programs and water  
26 infrastructure needs.

ARTICLE 6. WATER DEVELOPMENT BOARD

SECTION 6.01. Section 16.344, Water Code, is amended by adding Subsections (d), (e), (f), (g), (h), and (i) to read as follows:

(d) Notwithstanding Section 16.343(g) or Section 16.350(a), a political subdivision may temporarily continue to receive funds under Subchapter K, Chapter 17, if the political subdivision submits a request for temporary continuation of funding and the board determines that:

(1) the political subdivision's initial funding application and any amendments for a designated area were reviewed and approved by the board before January 1, 2007;

(2) withholding funds would result in an undue hardship for occupants of the property to be served by unreasonably delaying the provision of adequate water or wastewater services;

(3) withholding funds would result in inefficient use of local, state, or federal funds under the program;

(4) the political subdivision has committed to take the necessary and appropriate actions to correct any deficiencies in adoption or enforcement of the model rules within the time designated by the board, but not later than the 90th day after the date the board makes the determinations under this subsection;

(5) the political subdivision has sufficient safeguards in place to prevent the proliferation of colonias; and

(6) during the 30 days after the date the board receives a request under this subsection, the board, after consulting with the attorney general, secretary of state, and



1 commission, has not received an objection from any of those  
2 entities to the request for temporary continuation of funding.

3 (e) In applying Subsection (d) to applications for  
4 increased financial assistance, the board shall only consider areas  
5 that were included in the initial application, except that the  
6 board may reconsider the eligibility of areas that were the subject  
7 of a facility plan in the initial application and that may be  
8 determined to be eligible based on criteria in effect September 1,  
9 2005.

10 (f) The political subdivision shall take necessary and  
11 appropriate actions to correct any deficiencies in its adoption and  
12 enforcement of the model rules within the time period required by  
13 the board, not to exceed the 90-day period described by Subsection  
14 (d)(4), and provide evidence of compliance to the board. The board  
15 shall discontinue funding unless the board makes a determination  
16 based on the evidence provided that the political subdivision has  
17 demonstrated sufficient compliance to continue funding.

18 (g) Except as provided by Subsections (d)-(f), if the board  
19 determines that a county or city that is required to adopt and  
20 enforce the model rules is not enforcing the model rules, the board  
21 shall discontinue funding for all projects within the county or  
22 city that are funded under Subchapter K, Chapter 17.

23 (h) The board may not accept or grant applications for  
24 temporary funding under Subsection (d) after June 1, 2009.

25 (i) Subsections (d), (e), (f), (g), and (h) and this  
26 subsection expire September 1, 2009.

ARTICLE 7. RATE CLASSES FOR BILLING

SECTION 7.01. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.2122 to read as follows:

Sec. 49.2122. ESTABLISHMENT OF CUSTOMER CLASSES. (a)  
Notwithstanding any other law, a district may establish different charges, fees, rentals, or deposits among classes of customers that are based on any factor the district considers appropriate, including:

(1) the similarity of the type of customer to other customers in the class, including:

(A) residential;  
(B) commercial;  
(C) industrial;  
(D) apartment;  
(E) rental housing;  
(F) irrigation;  
(G) homeowner associations;  
(H) builder;  
(I) out-of-district;  
(J) nonprofit organization; and  
(K) any other type of customer as determined by the district;

(2) the type of services provided to the customer class;

(3) the cost of facilities, operations, and administrative services to provide service to a particular class of customer, including additional costs to the district for security,

1 recreational facilities, or fire protection paid from other  
2 revenues; and

3 (4) the total revenues, including ad valorem tax  
4 revenues and connection fees, received by the district from a class  
5 of customers relative to the cost of service to the class of  
6 customers.

7 (b) A district is presumed to have weighed and considered  
8 appropriate factors and to have properly established charges, fees,  
9 rentals, and deposits absent a showing that the district acted  
10 arbitrarily and capriciously.

11 ARTICLE 8. STUDY OF ROLE OF LAKE SOMERVILLE IN ECONOMIC DEVELOPMENT

12 SECTION 8.01. The legislature finds that:

13 (1) in 1954, the United States Congress authorized the  
14 construction of Lake Somerville to provide flood control, water  
15 conservation, and other beneficial uses for nearby areas;  
16 subsequently, the United States Army Corps of Engineers began  
17 reservoir construction in 1962 and began to impound water in 1967;

18 (2) straddling the borders of Burleson, Washington,  
19 and Lee Counties, on Yegua Creek 20 river miles upstream from that  
20 creek's confluence with the Brazos River, the lake has a storage  
21 capacity of 337,700 acre-feet;

22 (3) operation of the lake is supervised by the Fort  
23 Worth District of the United States Army Corps of Engineers; the  
24 lake is one of nine federal reservoirs that are integrated into the  
25 Brazos River Authority's basin-wide system and associated water  
26 resource development master plan;

27 (4) the Brazos River Authority owns the stored water,

1 a source from which it furnishes supplies to the City of Brenham  
2 according to a contract that was last renewed for a 10-year period  
3 in 2003;

4 (5) also significantly involved in the region is the  
5 Lower Colorado River Authority, which, from its diverse mix of  
6 power plants, provides wholesale electricity to various  
7 communities as well as offering them its economic research and  
8 expertise;

9 (6) although Lake Somerville has long been a tourist  
10 destination for fishing and other water recreation, the facility  
11 has not fully effectuated the three-county economic impact that  
12 originally was expected at the time that it was built; and

13 (7) a study of Lake Somerville's role in economic  
14 development would assist in explaining why the lake has not yet had  
15 that impact, beyond the tourism industry, and would help to  
16 identify impediments that currently restrict its contribution as  
17 well as strategies that would better maximize its economic  
18 potential.

19 SECTION 8.02. The Brazos River Authority and the Lower  
20 Colorado River Authority shall:

21 (1) conduct, with appropriate input from the public  
22 and private sectors, a joint baseline study of the role of Lake  
23 Somerville in the economic development of the surrounding vicinity;  
24 and

25 (2) jointly submit a full report of their findings and  
26 recommendations to the 81st Legislature when that legislature  
27 convenes in January 2009.

ARTICLE 9. AGUA SPECIAL UTILITY DISTRICT

SECTION 9.01. The heading to Chapter 7201, Special District Local Laws Code, is amended to read as follows:

CHAPTER 7201. AGUA ~~[LA JOYA]~~ SPECIAL UTILITY DISTRICT

SECTION 9.02. Section 7201.001, Special District Local Laws Code, is amended by amending Subdivision (3) and adding Subdivision (4) to read as follows:

(3) "Director" means a member of the board.

(4) "District" means the Agua ~~[La Joya]~~ Special Utility District.

SECTION 9.03. Section 7201.002(c), Special District Local Laws Code, is amended to read as follows:

(c) The ~~[On the effective date of the Act enacting this chapter, the]~~ corporation shall be dissolved and succeeded without interruption by the district as provided by Subchapter A1.

SECTION 9.04. Section 7201.005, Special District Local Laws Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) The ~~[boundaries of the corporation and initial boundaries of the]~~ district is composed of the territory described by Section 9.12 of the Act enacted by the 80th Legislature, Regular Session, 2007, amending this subsection ~~[are coextensive with the service areas covered by Certificates of Convenience and Necessity Nos. 10559 and 20785, as recorded on the Texas Commission on Environmental Quality maps associated with those certificates. Those maps are incorporated in this section by reference].~~

(b) The boundaries and field notes contained in Section 9.12

1 of the Act enacted by the 80th Legislature, Regular Session, 2007,  
 2 amending this subsection form a closure. A mistake made in the field  
 3 notes or in copying the field notes in the legislative process  
 4 [preparation, copying, or filing of the maps described by  
 5 Subsection (a) and on file with the Texas Commission on  
 6 Environmental Quality] does not affect:

7 (1) the organization, existence, or validity of the  
 8 district;

9 (2) the right of the district to issue bonds; or

10 (3) the legality or operation of the district.

11 (d) The territory of the district does not include and the  
 12 district does not have jurisdiction over land that has never been in  
 13 the service area of the corporation regardless of any erroneous  
 14 inclusion of that land in the boundaries and field notes in Section  
 15 9.12 of the Act enacted by the 80th Legislature, Regular Session,  
 16 2007, amending this section.

17 SECTION 9.05. Section 7201.021, Special District Local Laws  
 18 Code, is amended by amending Subsections (a), (b), and (d) and  
 19 adding Subsection (f) to read as follows:

20 (a) Except as provided by this subsection, after the  
 21 appointment of initial directors under Section 7201.051, the  
 22 receiver for the corporation ~~[On the effective date of the Act~~  
 23 ~~enacting this chapter, the corporation]~~ shall transfer the assets,  
 24 debts, and contractual rights and obligations of the corporation,  
 25 including all legal claims against the corporation in effect on the  
 26 date of the transfer, to the district and provide notices and make  
 27 recordings of the transfer required by the Water Code and general

1 law. If the transfer of any debt requires the permission of the  
 2 lender, the receiver shall initiate proceedings to obtain that  
 3 permission.

4 (b) In accordance with the orders of the receivership court  
 5 and not ~~[Not]~~ later than the 30th day after the date of the transfer  
 6 under Subsection (a), the receiver for ~~[board of directors of]~~ the  
 7 corporation shall commence dissolution proceedings of the  
 8 corporation.

9 (d) The receiver for ~~[board of directors of]~~ the corporation  
 10 shall notify the Texas Commission on Environmental Quality of the  
 11 dissolution of the corporation and its succession in interest by  
 12 ~~[the creation of]~~ the district in order ~~[to replace it]~~ to effect  
 13 the transfer of Certificates of Convenience and Necessity Nos.  
 14 10559 and 20785 to the district.

15 (f) After the Texas Commission on Environmental Quality  
 16 takes the action required by Subsection (e), the court shall  
 17 terminate the receivership.

18 SECTION 9.06. Section 7201.022, Special District Local Laws  
 19 Code, is amended to read as follows:

20 Sec. 7201.022. EXPIRATION OF SUBCHAPTER. This subchapter  
 21 expires September 1, 2012 ~~[2008]~~.

22 SECTION 9.07. Section 7201.051, Special District Local Laws  
 23 Code, is amended to read as follows:

24 Sec. 7201.051. APPOINTMENT OF INITIAL ~~[TEMPORARY]~~  
 25 DIRECTORS. (a) As soon as practicable after the effective date of  
 26 the Act enacted by the 80th Legislature, Regular Session, 2007,  
 27 amending this section, seven initial directors shall be appointed

as provided by this section ~~[The directors of the corporation who hold office on the effective date of the Act enacting this chapter shall serve as the temporary directors of the district until successor directors are elected and qualify for office].~~

(b) To be eligible to be appointed as an initial director, an individual must meet the same requirements as a candidate for an elected position as director under Section 7201.052. The initial directors shall be appointed as follows:

(1) one director to represent the residents of the district in the city of Mission appointed by the governing body of that city;

(2) one director to represent the residents of the district in the city of Palmview appointed by the governing body of that city;

(3) one director to represent the residents of the district in the city of Penitas appointed by the governing body of that city;

(4) one director to represent the residents of the district in the city of Sullivan City appointed by the governing body of that city; and

(5) three directors to represent the residents of the district outside the municipalities listed in Subdivisions (1)-(4) appointed by the Hidalgo County Commissioners Court ~~[The temporary directors of the district are assigned position numbers as follows:~~

~~[(1) Position 1, Jose Luis Trigo,~~

~~[(2) Position 2, Jose Guadalupe Reyna,~~

~~[(3) Position 3, George Barreiro,~~



1           ~~[(4) Position 4, Frolian Ramirez,~~  
 2           ~~[(5) Position 5, Russell Wicker,~~  
 3           ~~[(6) Position 6, Benito Salinas,~~  
 4           ~~[(7) Position 7, Manuel Ricardo Garcia,~~  
 5           ~~[(8) Position 8, Valente Alaniz, Jr., and~~  
 6           ~~[(9) Position 9, Juan Lino Garza].~~

7           (c) An initial director serves a term that expires on June 1  
 8 of the year in which the director's successor is elected under  
 9 Section 7201.052 ~~[If there is a vacancy on the temporary board of~~  
 10 ~~directors of the district, the temporary board shall appoint a~~  
 11 ~~person to fill the vacancy for the remainder of the term for the~~  
 12 ~~vacated position until the applicable election under Section~~  
 13 ~~7201.052].~~

14           SECTION 9.08. Subchapter B, Chapter 7201, Special District  
 15 Local Laws Code, is amended by adding Sections 7201.0512 and  
 16 7201.0513 to read as follows:

17           Sec. 7201.0512. INITIAL BOARD TRAINING. (a) Not later than  
 18 the 60th day after the first date on which all of the initial  
 19 directors have been appointed, each initial director shall complete  
 20 at least 12 hours of training on district management and compliance  
 21 with laws applicable to the district as determined by the receiver  
 22 for the corporation.

23           (b) The district shall reimburse an initial director for the  
 24 reasonable expenses incurred by the director in attending the  
 25 training.

26           Sec. 7201.0513. EDUCATION PROGRAM. (a) Before the first  
 27 election of directors under Section 7201.052, the initial board

1 shall establish a program of education for directors that includes  
2 information on:

3 (1) the history of the district;  
4 (2) the district's enabling legislation;  
5 (3) Chapters 49 and 65, Water Code, and other laws that  
6 apply to the district, including the requirements of the:

7 (A) open meetings law, Chapter 551, Government  
8 Code; and

9 (B) public information law, Chapter 552,  
10 Government Code;

11 (4) relevant legal developments related to water  
12 district governance;

13 (5) the duties and responsibilities of the board;

14 (6) the requirements of conflict of interest laws and  
15 other laws relating to public officials; and

16 (7) any applicable ethics policies adopted by the  
17 Texas Commission on Environmental Quality or the Texas Ethics  
18 Commission.

19 (b) The district shall pay any costs associated with the  
20 development of the education program from district revenue.

21 (c) The education program may include training provided by  
22 an organization offering courses that have been approved by the  
23 Texas Commission on Environmental Quality.

24 (d) The board may adopt bylaws modifying the education  
25 program as necessary to meet district needs.

26 SECTION 9.09. Section 7201.052, Special District Local Laws  
27 Code, is amended to read as follows:

1           Sec. 7201.052. BOARD OF DIRECTORS. (a) Except as provided  
 2 by Subsection (1), the [The] district shall be governed by a board  
 3 of seven [not fewer than nine and not more than 11] directors,  
 4 electd as follows:

5                 (1) one director elected by the voters of the part of  
 6 the city of Mission inside the district to represent that part of  
 7 the city;

8                 (2) one director elected by the voters of the city of  
 9 Palmview to represent that city;

10                (3) one director elected by the voters of the city of  
 11 Penitas to represent that city;

12                (4) one director elected by the voters of the city of  
 13 Sullivan City to represent that city; and

14                (5) three directors elected at-large to numbered  
 15 positions on the board by the district voters who do not reside in  
 16 any of the municipalities listed in Subdivisions (1)-(4) to  
 17 represent the part of the district that is not included in those  
 18 municipalities, unless the number of at-large directors is  
 19 increased under Subsection (1) [in accordance with Section 49.103,  
 20 Water Code, notwithstanding Subsection (f)(2) of that section].

21           (b) A [Except for a temporary director under Section  
 22 7201.051, a] candidate for one of the numbered [a position as]  
 23 director positions:

24                (1) [is elected at large to represent the entire  
 25 service area of the district,

26                [+2)] must reside in the part of the service area of  
 27 the district that is not included in any of the municipalities

1 listed in Subsections (a)(1)-(4); and

2 (2) [~~3~~] must be eligible to hold office under  
3 Section 141.001, Election Code.

4 (c) A candidate for one of the director positions  
5 representing a municipality listed in Subsection (a)(1), (2), (3),  
6 or (4):

7 (1) must reside in the municipality the candidate  
8 seeks to represent; and

9 (2) must be eligible to hold office under Section  
10 141.001, Election Code.

11 (d) It is the policy of the district that the directors  
12 shall represent and reside in as broad a cross-section of the  
13 geographic area of the district as possible.

14 (e) [~~d~~] The district shall fill a vacancy on the board in  
15 accordance with Section 49.105, Water Code.

16 (f) [~~e~~] Except for the initial [~~temporary~~] directors  
17 appointed [~~listed~~] under Section 7201.051 or elected at the first  
18 election under Subsection (g), directors serve staggered terms of  
19 four [~~three~~] years.

20 (g) [~~f~~] On the uniform election date in May 2008, or in  
21 May 2010, if the election is postponed under Subsection (h), the  
22 district shall hold an election to elect seven directors. On the  
23 [2006, and on that] uniform election date in May of each  
24 even-numbered [~~every third~~] year after that date, the district  
25 shall hold an election to elect the appropriate number of [~~three~~]  
26 directors [~~to serve in positions 1, 4, and 7~~].

27 (h) The initial board by order may postpone until the

1 uniform election date in May 2010 the first election for directors  
 2 under Subsection (g) if the initial board determines that there is  
 3 not sufficient time to comply with the requirements of law and to  
 4 order the election of directors to be held on the first uniform  
 5 election date specified by that subsection.

6 (i) The directors elected at the first election under  
 7 Subsection (g) shall cast lots to determine which three directors  
 8 shall serve terms expiring June 1 of the first even-numbered year  
 9 after the year in which the directors are elected and which four  
 10 directors shall serve terms expiring June 1 of the second  
 11 even-numbered year after the year in which the directors are  
 12 elected.

13 (j) A director may not serve consecutive terms.

14 (k) A person who has served as a member of the board of  
 15 directors of the corporation is not eligible to serve as a district  
 16 director.

17 (1) If, before the expiration of the term of a director  
 18 elected to represent a municipality under Subsection (a)(1), (2),  
 19 (3), or (4), the district determines that all of the incorporated  
 20 territory of the municipality is outside the boundaries of the  
 21 district, the position immediately becomes an at-large numbered  
 22 position to be filled at the next general election of the district  
 23 in accordance with Subsections (a)(5) and (b) [~~(g)~~ On the uniform  
 24 election date in May 2007, and on that uniform election date every  
 25 third year after that date, the district shall hold an election to  
 26 elect three directors to serve in positions 2, 3, and 5.

27 [~~(h)~~ On the uniform election date in May 2008, and on that

~~uniform election date every third year after that date, the district shall hold an election to elect three directors to serve in positions 6, 8, and 9].~~

SECTION 9.10. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.053 and 7201.054 to read as follows:

Sec. 7201.053. DISTRICT TREASURER. (a) The board shall elect from among its members one director to serve as district treasurer.

(b) The district treasurer shall comply with the training requirements provided by Section 49.1571, Water Code, for an investment officer of a district.

Sec. 7201.054. EDUCATION FOR DIRECTORS. (a) Except for an initial director whose term expires in 2008, each director shall complete the education program established under Section 7201.0513 before the first anniversary of the date on which the director was appointed or elected.

(b) The district shall reimburse a director for the reasonable expenses incurred by the director in attending the education program.

(c) A director who is elected to serve a subsequent term shall fulfill the education requirements specified by district bylaws.

SECTION 9.11. Section 7201.206, Special District Local Laws Code, is amended to read as follows:

Sec. 7201.206. RATES AND FEES FOR SERVICES. (a) The district, in connection with water or sewer retail public utility

1 services, shall establish lifeline, senior citizen, or minimum  
2 consumption level rates for services. The rate impact of such  
3 services shall be allocated on the basis of costs of services to  
4 achieve conservation principles, while securing necessary reserves  
5 for the payment of operating expenses, sinking funds, principal,  
6 interest, and debt coverage factors, and any other objective  
7 established by the district's annual budget.

8 (b) Chapter 395, Local Government Code, does not apply to  
9 any fee, charge, or assessment that, before the corporation's  
10 dissolution and conversion to a district, is adopted by the  
11 receiver for the purpose of generating revenue to fund or recoup the  
12 costs of capital improvements or facility expansions necessitated  
13 by and attributable to new developments.

14 (c) Notwithstanding Subsection (b), beginning on December  
15 31, 2009, the district may not impose any fee, charge, or assessment  
16 that, before the corporation's dissolution and conversion to a  
17 district, is adopted by the receiver for the purpose of generating  
18 revenue to fund or recoup the costs of capital improvements or  
19 facility expansions necessitated by and attributable to new  
20 developments unless the district readopts the fee, charge, or  
21 assessment or adopts a new fee, charge, or assessment in accordance  
22 with Chapter 395, Local Government Code. This subsection does not  
23 apply to a retail water or sewer rate adopted by the receiver or the  
24 district.

25 SECTION 9.12. (a) Except for the areas excluded under  
26 Subsection (b) of this section, the boundaries of the Agua Special  
27 Utility District are as follows:

S.B. No. 3

1 Beginning at a point in the centerline of FM 495 (Mile 1 Road)  
2 a distance of approximately .18 miles west of the intersection of FM  
3 495 and Inspiration Road.

4 Thence due north approximately 1.0 miles to a point  
5 approximately 166 feet south of the centerline of Mile 2 Road and  
6 approximately .18 miles west of the intersection of Mile 2 Road and  
7 Inspiration Road

8 Thence follow west along a straight westerly line  
9 approximately 180 feet south of Mile 2 Road approximately .51 miles  
10 to a point in the centerline of Schubach Road.

11 Following westerly in a straight line approximately .78 miles  
12 to the centerline of Bentsen Palm Drive.

13 From the point at the centerline of Bentsen Palm Road  
14 continue westerly approximately .78 miles to a point at 26 15 00  
15 latitude and -98 22 10 longitude.

16 Turn right and due north and follow approximately 7.0 miles  
17 in a northerly direction .10 miles west and parallel to Bentsen Palm  
18 Drive to a point at 226 21 04 latitude and -98 21 06 longitude.

19 Turn left and follow westerly along a straight line a  
20 distance of approximately 1.66 miles to the intersection of Abram  
21 Road and 9 Mile Road.

22 Follow along the centerline of 9 Mile Road westerly  
23 approximately 1.65 miles to its intersection with Iowa Avenue.  
24 (Latitude: 26 21 31, Longitude: -98 24 16)

25 Continue westerly along a straight line from latitude 26 21  
26 31, longitude -98 24 16 approximately 3.79 miles to the center line  
27 of FM 2221 ( Jara Chinas Road)



1           Thence due south along FM 2221 ( Jara Chinas Road)  
2 approximate distance of 8.02 Miles to a point approximately .75  
3 miles north of the Intersection of Expressway 83 and FM 2221( Jara  
4 Chinas Road)

5           Thence at a distance of approximately .75 miles north of the  
6 centerline of Expressway 83 due west to northwest approximately 4  
7 miles following along the same contour as Expressway 83 to the  
8 centerline of El Faro Road from a point .62 miles east of the  
9 intersection of El Faro Road and Expressway 83.

10          Turn right and follow due north down the centerline of El Faro  
11 Road until its end and continue northerly for a total of  
12 approximately 2.79 miles to a point at latitude 26 19 13 and  
13 longitude -98 32 40.

14          Turn left and follow northwesterly in a straight line along  
15 the east side of 16 Mile Road (Starr County) approximately 1.87  
16 miles to a point located at 26 19 30 latitude and -98 34 27  
17 longitude.

18          Turn right and follow northeasterly in a straight line  
19 approximately 1.02 miles to a point located at 26 20 22 latitude and  
20 -98 34 17 longitude.

21          Turn right and follow southeasterly in a straight line  
22 approximately 1.26 miles to a point located at 26 20 22 latitude and  
23 -98 33 05 longitude.

24          Turn right and follow northeasterly in a straight line along  
25 the west side of County Line Road (Starr County) approximately .61  
26 miles to a point located at 26 20 43 latitude and -98 32 60  
27 longitude.

1           Turn left and follow northwesterly in a straight line  
2 approximately 1.26 miles to a point located at 26 20 53 latitude and  
3 -98 34 12 longitude.

4           Turn right and follow northeasterly in a straight line along  
5 the east side of 16 Mile Road (Starr County) approximately 1.32  
6 miles to a point located at 26 22 02 latitude and -98 33 59  
7 longitude.

8           Turn left and follow northwesterly in a straight line  
9 approximately .55 miles to a point located at 26 22 07 latitude and  
10 -98 34 30 longitude.

11          Turn left and follow southwesterly in a straight line  
12 approximately 6.17 miles to a point located at 26 16 48 latitude and  
13 -98 35 29 longitude.

14          Turn left and follow southeasterly in a straight line  
15 approximately .91 miles to a point located at 26 16 30 latitude and  
16 -98 34 40 longitude, near the Hidalgo-Starr County line.

17          Turn right and follow southwesterly along the Hidalgo-Starr  
18 County line approximately 1.28 miles to its intersection with the  
19 Rio Grande River (U.S. side).

20          Thence due south approximately 7.77 miles to the northern  
21 winding banks (U.S. side) of the Rio Grande River

22          Thence east along the northern winding banks ( US side ) of  
23 the Rio Grande River approximately 22 miles to a point  
24 approximately 1.16 miles south of Greene Road

25          Thence from that center line on Bentsen Park Road  
26 approximately .82 miles east northeast to the centerline of  
27 Breyfogle/Shuerbach Road

1           Turn left and follow westerly in a straight line  
2 approximately .56 miles to a point located 26 11 20 latitude and -98  
3 22 30 longitude.

4           Turn left and follow southerly in a straight line  
5 approximately .50 miles to the centerline of Military Road.

6           Turn right and follow northerly and then northwesterly along  
7 the north side of Military Road approximately .36 miles to its  
8 intersection with Farm-to-Market Road 2062.

9           Turn left and follow southerly along Farm-to-Market Road 2062  
10 approximately .16 miles to a point located at 26 11 02 latitude and  
11 -98 22 46 longitude.

12           Turn right and follow northerly, westerly, southerly,  
13 southwesterly, northerly, westerly and then southwesterly for  
14 approximately 1.27 miles to a point located at 26 11 11 latitude and  
15 -98 23 38 longitude running just north of Park Road 43.

16           Turn right and follow northeasterly along a straight line for  
17 approximately .71 miles to the north side of Military Road.

18           Turn left and follow along westerly approximately .44 miles  
19 along the north side of Military Road to its intersection with  
20 Goodwin Road.

21           Turn right and follow northerly along the centerline of  
22 Goodwin Road approximately .33 miles to a point located at 26 12 07  
23 latitude and -98 23 53 longitude.

24           Turn right and follow easterly, northerly, easterly and then  
25 southeasterly approximately .78 miles to the intersection with  
26 Green Road.

27           Turn left and follow northerly along the centerline of Green

1 Road approximately .32 miles.

2 Turn right and follow easterly and then southwesterly  
3 approximately 1.16 miles to the north side of Military Road at  
4 points 26 11 42 latitude and -98 23 16 longitude.

5 Turn left and follow southeasterly along the north side of  
6 Military Road approximately 0.07 miles to a point located at 26 11  
7 40 latitude and -98 23 13 longitude.

8 Turn left and follow northeasterly, northerly,  
9 northeasterly, northerly, northeasterly, easterly, southerly and  
10 then easterly approximately 2.04 miles to the centerline of  
11 Shuebach Road/Airfield Road

12 Turn left and follow northeasterly along the centerline of  
13 Airfield Road approximately 1.48 miles to its intersection with  
14 U.S. Highway 83 Business.

15 Turn right and follow easterly along the centerline of U.S.  
16 Highway 83 Business approximately .27 miles to its intersection  
17 with Moorefield Road.

18 Turn left and follow northerly along the centerline of  
19 Moorefield Road approximately .32 miles to a point located at 26 13  
20 23 latitude and -98 21 21 longitude.

21 Make a slight right and follow northeasterly and then  
22 northerly along the west banks of the Edinburg Main Canal  
23 approximately .66 miles to that point on the centerline of FM 495  
24 the beginning (Mile 1 Road) a distance of approximately .18 miles  
25 west of the intersection of FM 495 and Inspiration Road to Close.

26 (b) The territory of the Agua Special Utility District does  
27 not include the area within the city limits of La Joya, Texas, as it

1 existed on January 1, 1991; the area within the Certificate of  
2 Convenience and Necessity of Hidalgo County Municipal Utility  
3 District No. 1 as reflected on the records of the Texas Commission  
4 on Environmental Quality as of January 1, 2007; and the area within  
5 the following boundary lines, which lie wholly within the district:

6       Beginning at a point located at 26 14 57 Latitude and -98 25  
7 55 Longitude follow in a northwesterly direction along an unnamed  
8 creek approximately .23 Miles to a point located at 26 15 03  
9 Latitude and -98 26 05 Longitude.

10       From the point located at 26 15 03 Latitude and -98 26 05  
11 Longitude follow in a westerly direction along an unnamed creek  
12 approximately .24 Miles to a point located at 26 15 04 Latitude and  
13 -98 26 19 Longitude.

14       From the point located at 26 15 04 Latitude and -98 26 19  
15 Longitude turn right and follow in a straight line northeasterly  
16 approximately .97 Miles to a point located at 26 15 54 Latitude and  
17 -98 26 09 Longitude.

18       From the point located at 26 15 54 Latitude and -98 26 09  
19 Longitude turn right and follow in a straight line  
20 easterly-southeasterly approximately .43 Miles to a point located  
21 at 26 15 50 Latitude and -98 25 45 Longitude.

22       From a point located at 26 15 50 Latitude and -98 25 45  
23 Longitude turn right and follow in a straight line southwesterly  
24 approximately 1.03 Miles to a point located at 26 14 57 Latitude and  
25 -98 25 55 Longitude and Place of Beginning.

26       SECTION 9.13. Initial directors of the board of the Agua  
27 Special Utility District shall be appointed in accordance with

1 Section 7201.051, Special District Local Laws Code, as amended by  
2 this Act, as soon as practicable after the effective date of this  
3 Act.

4 SECTION 9.14. Except as otherwise provided by Chapter 7201,  
5 Special District Local Laws Code, as amended by this Act, the Agua  
6 Special Utility District is subject to:

7 (1) any judicial or administrative order imposing an  
8 injunction against the La Joya Water Supply Corporation that is in  
9 effect on the date of the transfer under Section 7201.021, Special  
10 District Local Laws Code, as amended by this Act; or

11 (2) any judicial or administrative order imposing  
12 liability for monetary damages or a civil or administrative penalty  
13 against the La Joya Water Supply Corporation that:

14 (A) results from a legal proceeding that is  
15 pending on the date of the transfer under Section 7201.021, Special  
16 District Local Laws Code, as amended by this Act; or

17 (B) is unsatisfied on the date of the transfer  
18 under Section 7201.021, Special District Local Laws Code, as  
19 amended by this Act.

20 SECTION 9.15. (a) The legal notice of the intention to  
21 introduce the article of this Act that amends Chapter 7201, Special  
22 District Local Laws Code, setting forth the general substance of  
23 the article, has been published as provided by law, and the notice  
24 and a copy of the article have been furnished to all persons,  
25 agencies, officials, or entities to which they are required to be  
26 furnished under Section 59, Article XVI, Texas Constitution, and  
27 Chapter 313, Government Code.

1 (b) The governor has submitted the notice and article to the  
2 Texas Commission on Environmental Quality.

3 (c) The Texas Commission on Environmental Quality has filed  
4 its recommendations relating to this article with the governor,  
5 lieutenant governor, and speaker of the house of representatives  
6 within the required time.

7 (d) All requirements of the constitution and laws of this  
8 state and the rules and procedures of the legislature with respect  
9 to the notice, introduction, and passage of this article are  
10 fulfilled and accomplished.

11 SECTION 9.16. This article takes effect immediately if this  
12 Act receives a vote of two-thirds of all the members elected to each  
13 house, as provided by Section 39, Article III, Texas Constitution.  
14 If this Act does not receive the vote necessary for immediate  
15 effect, this article takes effect September 1, 2007.

16 ARTICLE 10. TRUE RANCH MUNICIPAL UTILITY DISTRICT NO. 1

17 SECTION 10.01. Subtitle F, Title 6, Special District Local  
18 Laws Code, is amended by adding Chapter 8269 to read as follows:

19 CHAPTER 8269. TRUE RANCH MUNICIPAL UTILITY DISTRICT NO. 1

20 SUBCHAPTER A. GENERAL PROVISIONS

21 Sec. 8269.001. DEFINITIONS. In this chapter:

22 (1) "Board" means the board of directors of the  
23 district.

24 (2) "Director" means a board member.

25 (3) "District" means the True Ranch Municipal Utility  
26 District No. 1.

27 Sec. 8269.002. NATURE OF DISTRICT. The district is a

1 municipal utility district in Hays County created under and  
2 essential to accomplish the purposes of Section 59, Article XVI,  
3 Texas Constitution.

4 Sec. 8269.003. CONFIRMATION ELECTION REQUIRED. If the  
5 creation of the district is not confirmed at a confirmation  
6 election held under Section 8269.023 before September 1, 2012:

7 (1) the district is dissolved September 1, 2012,  
8 except that:

9 (A) any debts incurred shall be paid;

10 (B) any assets that remain after the payment of  
11 debts shall be transferred to Hays County; and

12 (C) the organization of the district shall be  
13 maintained until all debts are paid and remaining assets are  
14 transferred; and

15 (2) this chapter expires September 1, 2015.

16 Sec. 8269.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
17 All land and other property in the district will benefit from the  
18 works and projects to be accomplished by the district under powers  
19 conferred by Section 59, Article XVI, Texas Constitution.

20 (b) The district is created to serve a public use and  
21 benefit.

22 Sec. 8269.005. INITIAL DISTRICT TERRITORY. (a) The  
23 district is initially composed of the territory described by  
24 Section 10.02 of the Act creating this chapter.

25 (b) The boundaries and field notes contained in Section  
26 10.02 of the Act creating this chapter form a closure. A mistake  
27 made in the field notes or in copying the field notes in the



legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the right of the district to issue bonds, notes, or other indebtedness or to pay the principal of and interest on a bond;

(4) the validity of the district's bonds, notes, or other indebtedness; or

(5) the legality or operation of the district or the board.

[Sections 8269.006-8269.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8269.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8269.023; or

1           (2) the date this chapter expires under Section  
2 8269.003.

3           Sec. 8269.022. ORGANIZATIONAL MEETING OF TEMPORARY  
4 DIRECTORS. As soon as practicable after all the temporary  
5 directors have qualified under Section 49.055, Water Code, the  
6 directors shall meet at a location in the district agreeable to a  
7 majority of the directors. If a location cannot be agreed upon, the  
8 meeting shall be at the Hays County Courthouse. At the meeting, the  
9 temporary directors shall elect officers from among the temporary  
10 directors and conduct any other district business.

11           Sec. 8269.023. CONFIRMATION AND INITIAL DIRECTORS'  
12 ELECTION. (a) The temporary directors shall hold an election to  
13 confirm the creation of the district and to elect five directors as  
14 provided by Section 49.102, Water Code.

15           (b) Section 41.001(a), Election Code, does not apply to a  
16 confirmation and initial directors' election held under this  
17 section.

18           Sec. 8269.024. INITIAL ELECTED DIRECTORS; TERMS. The  
19 directors elected under Section 8269.023 shall draw lots to  
20 determine which two serve until the first regularly scheduled  
21 election of directors under Section 8269.052 and which three shall  
22 serve until the second regularly scheduled election of directors.

23           Sec. 8269.025. DATE OF FIRST REGULARLY SCHEDULED ELECTION  
24 OF DIRECTORS. The board by order may postpone the first election  
25 under Section 8269.052 following the confirmation and initial  
26 directors' election held under Section 8269.023 if:

27           (1) the election would otherwise occur not later than

1 the 60th day after the date on which the confirmation election is  
2 held; or

3 (2) the board determines that there is not sufficient  
4 time to comply with the requirements of law and to order the  
5 election.

6 Sec. 8269.026. EXPIRATION OF SUBCHAPTER. This subchapter  
7 expires September 1, 2015.

8 [Sections 8269.027-8269.050 reserved for expansion]

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 8269.051. DIRECTORS; TERMS. (a) The district is  
11 governed by a board of five directors.

12 (b) Directors serve staggered four-year terms.

13 Sec. 8269.052. ELECTION OF DIRECTORS. On the uniform  
14 election date in May of each even-numbered year, the appropriate  
15 number of directors shall be elected.

16 [Sections 8269.053-8269.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 8269.101. GENERAL POWERS AND DUTIES. The district has  
19 the powers and duties necessary to accomplish the purposes for  
20 which the district is created.

21 Sec. 8269.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
22 DUTIES. The district has the powers and duties provided by the  
23 general law of this state, including Chapters 49 and 54, Water Code,  
24 applicable to municipal utility districts created under Section 59,  
25 Article XVI, Texas Constitution.

26 Sec. 8269.103. ROAD PROJECTS. (a) To the extent authorized  
27 by Section 52, Article III, Texas Constitution, the district may

1 construct, acquire, improve, maintain, or operate arterials or main  
2 feeder roads or improvements in aid of those roads.

3 (b) A road project must meet all applicable construction  
4 standards, zoning and subdivision requirements, and regulatory  
5 ordinances of the municipality or county in whose jurisdiction the  
6 district is located.

7 Sec. 8269.104. COMPLIANCE WITH MUNICIPAL CONSENT  
8 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section  
9 54.016, Water Code, the district shall comply with all valid and  
10 applicable requirements of any ordinance or resolution adopted by a  
11 municipality in the corporate limits or extraterritorial  
12 jurisdiction of which the district is located, including an  
13 ordinance or resolution adopted before September 1, 2007, that  
14 consents to the creation of the district or to the inclusion of  
15 lands within the district.

16 [Sections 8269.105-8269.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 8269.151. ELECTIONS REGARDING TAXES OR BONDS. (a)  
19 Except as provided by Section 8269.201(b), the district may issue,  
20 without an election, bonds and other obligations secured by revenue  
21 or contract payments from any source other than ad valorem  
22 taxation.

23 (b) The district must hold an election in the manner  
24 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
25 before the district may impose an operation and maintenance tax or  
26 issue bonds payable from ad valorem taxes.

27 Sec. 8269.152. OPERATION AND MAINTENANCE TAX. (a) If

authorized at an election held under Section 8269.151, the district  
may impose an operation and maintenance tax on taxable property in  
the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not  
exceed the rate approved at the election.

[Sections 8269.153-8269.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8269.201. AUTHORITY TO ISSUE BONDS AND OTHER  
OBLIGATIONS. (a) The district may issue bonds or other obligations  
payable wholly or partly from ad valorem taxes, impact fees,  
revenue, grants, or other district money, or any combination of  
those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects  
authorized by Section 8269.103 unless the issuance is approved by a  
vote of a two-thirds majority of the voters of the district voting  
at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance  
projects authorized by Section 8269.103 may not exceed one-fourth  
of the assessed value of the real property in the district.

Sec. 8269.202. TAXES FOR BONDS. At the time bonds payable  
wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual  
ad valorem tax, without limit as to rate or amount, for each year  
that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem  
tax on all taxable property in the district in an amount sufficient  
to:

1                    (A) pay the interest on the bonds as the interest  
2 becomes due;

3                    (B) create a sinking fund for the payment of the  
4 principal of the bonds when due or the redemption price at any  
5 earlier required redemption date; and

6                    (C) pay the expenses of imposing the taxes.

7            SECTION 10.02. The True Ranch Municipal Utility District  
8 No. 1 includes all the territory contained in the following area:

9 BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING 465.71  
10 ACRES, MORE OR LESS, OF LAND AREA IN THE JOHN INGRAIM SURVEY,  
11 ABSTRACT NO. 256, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT TRACT  
12 DESCRIBED AS 1279.69 ACRES IN A DEED FROM LESLIE TRUE VESPER ET AL  
13 TO LESLIE TRUE VESPER DATED AUGUST 10, 1992 AND RECORDED IN VOLUME  
14 948, PAGE 789 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS, AND BEING  
15 MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

16            BEGINNING at a ½" iron rod found in the southwest line of R.M.  
17 Highway No. 2325 and that tract described as an 80' R.O.W. in a deed  
18 from Cecil H. Hale, et al to the State of Texas dated August 29, 1956  
19 and recorded in Volume 169, Page 304 of the Hays County Deed Records  
20 for the most northerly northwest corner of the panhandle portion of  
21 this description and the Vesper 1279.69 acre tract and east corner  
22 of that tract described as 592.30 acres in a deed from Leslie True  
23 Vesper et al to Ameritrust Texas, N.A., Trustee dated August 10,  
24 1992 and recorded in Volume 949, Page 572 of the Hays County  
25 Official Public Records, from which a TXDOT concrete monument found  
26 bears N 69°45'42" W 162.75 feet;

27            THENCE leaving the Ameritrust Texas 592.30 acre tract and the

1 PLACE OF BEGINNING as shown on that plat numbered 24587-06-3-d  
 2 dated May 30, 2006 prepared for Leslie Vesper by Byrn & Associates,  
 3 Inc., of San Marcos, Texas with the common northeast line of the  
 4 Vesper 1279.69 acre tract and southwest line of R.M. Highway No.  
 5 2325 and the State of Texas 80' R.O.W. tract S 69°48'34" E 599.94  
 6 feet to a ½" iron rod set for the northwest corner of that tract  
 7 described as "Tract 1-1.00 acres" in a deed from Thomas W. Slaughter  
 8 et ux to Randy C. Brown et ux dated February 12, 1996 and recorded in  
 9 Volume 1206, Page 780 of the Hays County Official Public Records,  
 10 from which A TXDOT concrete monument found bears S 69°47'57" E  
 11 120.11 feet;

12 THENCE leaving R.M. Highway No. 2325 and the State of Texas  
 13 80' R.O.W. tract with the common east line of the Vesper 1279.69  
 14 acre tract and west and south lines of the Brown 1.00 acre Tract 1  
 15 the following two courses:

16 1. S 20°06'33" W 226.56 feet to a 2.5" pipe fence corner post  
 17 found for corner, and

18 S 69°41'58" E 234.42 feet to a 2" pipe fence corner post found  
 19 in the west line of that tract described as "Tract 2-5.347 acres" in  
 20 the previously mentioned deed to Randy C. Brown et ux for the  
 21 southeast corner of the Brown 1.00 acre Tract 1;

22 THENCE leaving the Brown 1.00 acre Tract 1 and continuing  
 23 with the common east line of the Vesper 1279.69 acre tract and west  
 24 line of the Brown 5.347 acre Tract 2, as fenced and used, the  
 25 following three courses:

26 S 00°10'12" E 410.74 feet to a ½" iron rod set at the  
 27 approximate centerline of an underground pipeline for angle point,

1           S 00°04'22" E 196.11 feet to a 2.5" pipe fence post found for  
2 angle point, and

3           S 00°24'09" E 15.83 feet to an iron rod found with an aluminum  
4 cap stamped "Pro-Tech Eng" at fence corner for the southwest corner  
5 of the Brown 5.347 acre Tract 2 and northwest corner of the  
6 remaining portion of that tract described as 187.78 acres in a deed  
7 from Henry Polvado & Lillie Polvado to Wesley Springs dated May 6,  
8 1983 and recorded in Volume 393, Page 570 of the Hays County Deed  
9 Records (the Brown 5.347 acre Tract 2 being a portion of the Springs  
10 187.78 acre tract);

11           THENCE leaving the Brown 5.347 acre Tract 2 and continuing  
12 with the east line of the Vesper 1279.69 acre tract and west line of  
13 the Springs 187.78 acre tract, as fenced and used, the following  
14 three courses:

15           S 00°00'57" E 1012.24 feet to a 2.5" pipe fence post found for  
16 angle point,

17           S 00°06'57" W 908.05 feet to a 4" pipe fence corner post found  
18 for angle point, and

19           S 00°03'12" E 354.80 feet to a 4" pipe fence corner post found  
20 for the southwest corner of the springs 187.78 acre tract and  
21 northwest corner of that tract described as 126.97 acres in a deed  
22 from Stanual W. Farris to the Stanual W. Farris Living Trust dated  
23 March 10, 2005 and recorded in Volume 2646, Page 385 of the Hays  
24 County Official Public Records;

25           THENCE leaving the Springs 187.78 acre tract and continuing  
26 with the common east line of the Vesper 1279.69 acre tract and west  
27 line of Farris Living Trust 126.97 acre tract, as fenced and used,



1 the following three courses:

2 S 00°12'25" W 952.36 feet to a 4" pipe fence post found for  
3 angle point,

4 S 00°09'57"W 1087.12 feet to a 4" cedar post found for angle  
5 point, and

6 S 00°22'11" W 1072.11 feet to a ½" iron rod found at fence  
7 corner for the southwest corner of the Farris Living Trust 126.97  
8 acre tract and northwest corner of that tract described as 32.03  
9 acres in a deed from Phil Harris to Shannon Harris dated April 8,  
10 1998 and recorded in Volume 1463, Page 335 of the Hays County  
11 Official Public Records;

12 THENCE leaving the Farris Living Trust 126.97 acre tract and  
13 continuing with the common east line of the Vesper 1279.69 acre  
14 tract and west line of the Shannon Harris 32.03 acre tract, as  
15 fenced and used, S 00°44'10"W 120.44 feet to a 4" cedar fence corner  
16 post found for the southwest corner of the Shannon Harris 32.03 acre  
17 tract and northwest corner of that tract described as 28.92 acres in  
18 a deed from A.J. Farris et ux to Philip D. Farris dated July 18, 1991  
19 and recorded in Volume 882, page 620 of the Hays County Official  
20 Public Records;

21 THENCE leaving the Shannon Harris 32.03 acre tract and  
22 continuing with the common east line of the Vesper 1279.69 acre  
23 tract and west line of the Philip D. Farris 28.92 acre tract, as  
24 fenced and used, S 00°24'02" W 279.19 feet to a ½" iron rod found at  
25 fence corner for the southeast corner of this description and  
26 northeast corner of that tract described as 52.30 acres in a deed  
27 from Leslie True Vesper to Paul R. Eastup et ux dated June 5, 1996

1 and recorded in Volume 1240, Page 309 of the Hays County Official  
2 Public Records (the Eastup 52.30 acre tract being a portion of the  
3 Vesper 1279.69 acre tract);

4       THENCE leaving the Phillip D. Farris 28.92 acre tract and  
5 entering the Vesper 1279.69 acre tract with the north line of the  
6 Eastup 52.30 acre tract, N 87°10'57" W 1356.38 feet to a ½" iron rod  
7 found in fence for the northwest corner of the Eastup 52.03 acre  
8 tract and northeast corner of that tract described as 209.16 acres  
9 in a deed from Leslie True Vesper to James Nicholas Edwards and Lynn  
10 S. Edwards dated July 6, 2005 and recorded in Volume 2719, Page 740  
11 of the Hays County Official Public Record (the Edwards 209.16 acre  
12 tract being a portion of the Vesper 1279.69 acre tract);

13       THENCE leaving the Eastup 52.30 acre tract with the north  
14 line of the Edwards 209.16 acre tract, as fenced and used, the  
15 following five courses:

16       N 87°19'31" W 665.61 feet to a 4" pipe fence post found for  
17 angle point,

18       N 86°58'45" W 535.67 feet to a 3" cedar fence post found for  
19 angle point,

20       N 87°09'05" W 302.22 feet to a 3" cedar fence post found for  
21 angle point,

22       N 87°26'23" W 724.92 feet to a 4" cedar fence post found for  
23 angle point, and

24       N 86°46'01" W 426.90 feet to a ½" iron rod found with a plastic  
25 cap stamped "Byrn Survey" in the east line of that tract described  
26 as 504.13 acres in a deed from Leslie True Vesper to James L. Pierce  
27 and David L. Pierce dated February 8, 1999 and recorded in Volume

1 1500, Page 452 of the Hays County Official Public Records (the  
2 Pierce 504.13 acre tract being a portion of the Vesper 1279.69 acre  
3 tract);

4       THENCE leaving the Edwards 209.16 acre tract with the east  
5 line of the Pierce 504.13 acre tract the following two courses:

6       N 08°19'22" E 124.79 feet to a ½" iron rod found with a plastic  
7 cap stamped "Byrn Survey" for corner, and

8       N 87°41'56" W 751.30 feet to a ½" iron rod found with a plastic  
9 cap stamped "Byrn Survey" for the southwest corner of this  
10 description, an interior corner in the east line of the Pierce  
11 504.13 acre tract, and the south corner of that tract described as  
12 10.59 acres in a deed from Leslie True Vesper to James L. Pierce and  
13 David L. Pierce dated June 15, 2001 and recorded in Volume 1872,  
14 Page 802 of the Hays County Official Public Records (the Pierce  
15 10.59 acre tract being a portion of the Vesper 1279.69 acre tract);

16       THENCE leaving the Pierce 504.13 acre tract with the east  
17 line of Pierce 10.59 acre tract the following two courses:

18       N 05°37'42" E (being the bearing basis for description) 734.58  
19 feet to a ½" iron rod found with a plastic cap stamped "Byrn Survey"  
20 for angle point, and

21       N 16°12'16" E 1026.26 feet to a 16" cedar tree stump found in  
22 fence in the east line of the previously mentioned Pierce 504.13  
23 acre tract for the north corner of the Pierce 10.59 acre tract;

24       THENCE leaving the Pierce 10.59 acre tract and continuing  
25 with the east line of the Pierce 504.13 acre tract, as fenced and  
26 used, the following eight courses:

27       N 20°34'38" E 42.67 feet to a 16" cedar tree stump found for

1 angle point,  
2 N 15°43'09" E 241.85 feet to a 12" cedar tree stump found for  
3 angle point,  
4 N 08°41'46" E 86.90 feet to a 14" cedar tree stump found for  
5 angle point,  
6 N 07°33'58" E 244.38 feet to a 2.5" pipe fence post found for  
7 angle point,  
8 N 24°14'46" E 623.77 feet to a 6" cedar fence post found for  
9 angle point,  
10 N 24°15'46" E 420.45 feet to a 2.5" pipe fence post found for  
11 angle point,  
12 N 12°52'45" E 194.02 feet to a 2.5" pipe fence post found for  
13 angle point, and  
14 N 01°30'08" E 340.55 feet to a 4" pipe fence corner post found  
15 in the south line of the previously mentioned Ameritrust Texas  
16 592.30 acre tract and north line of the Vesper 1279.69 acre tract  
17 for the northeast corner of the Pierce 504.13 acre tract and  
18 exterior west corner of this description;  
19 THENCE leaving the Pierce 504.13 acre tract with the common  
20 north line of the Vesper 1279.69 acre tract, and south line of the  
21 Ameritrust Texas 592.30 acre tract, as fenced and used, the  
22 following six courses:  
23 N 73°32'00" E 130.18 feet to a 4" pipe fence post found for  
24 angle point,  
25 S 48°36'36" E 170.02 feet to a ½" iron rod found for angle  
26 point,  
27 S 76°17'07" E 88.03 feet to a 4" pipe fence post found for

1 angle point,

2 S 86°44'44" E 798.24 feet to a 4" pipe fence post found for  
3 angle point,

4 S 86°55'19" E 913.16 feet to a 4" pipe fence post found for  
5 angle point, and

6 S 86°56'50" E 421.51 feet to a ½" iron rod found for the  
7 southeast corner of the Ameritrust Texas 592.30 acre tract and  
8 southwest corner of the panhandle portion of this description and  
9 the Vesper 1279.69 acre tract;

10 THENCE leaving the fence with the common west line of the  
11 panhandle portion of the Vesper 1279.69 acre tract and east line of  
12 the Ameritrust Texas 592.30 acre tract the following two courses:

13 N 00°00'32" E 1999.62 feet to a ½" iron rod found for angle  
14 point, and

15 N 32°23'54" E 1152.96 feet to the PLACE OF BEGINNING.

16 THERE are contained within these metes and bounds 465.71  
17 acres, more or less, as prepared from public records and surveys  
18 made on the ground in 1999, 2001, 2005 and on May 30, 2006 by Byrn &  
19 Associates, Inc., of San Marcos, Texas. All ½" iron rods set are  
20 capped with a plastic cap stamped "Byrn Survey".

21 SECTION 10.03. (a) The legal notice of the intention to  
22 introduce this article, setting forth the general substance of this  
23 article, has been published as provided by law, and the notice and a  
24 copy of this article have been furnished to all persons, agencies,  
25 officials, or entities to which they are required to be furnished  
26 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
27 Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

SECTION 10.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

# ARTICLE 11. TABLEROCK GROUNDWATER CONSERVATION DISTRICT

SECTION 11.01. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8823 to read as follows:

## CHAPTER 8823. TABLEROCK GROUNDWATER CONSERVATION DISTRICT

### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8823.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Tablerock Groundwater Conservation District.

Sec. 8823.002. NATURE OF DISTRICT. The district is a

1 groundwater conservation district in Coryell County created under  
2 and essential to accomplish the purposes of Section 59, Article  
3 XVI, Texas Constitution.

4 Sec. 8823.003. CONFIRMATION ELECTION REQUIRED. (a) If the  
5 creation of the district is not confirmed at a confirmation  
6 election held before September 1, 2012:

7 (1) the district is dissolved on September 1, 2012,  
8 except that the district shall:

9 (A) pay any debts incurred;

10 (B) transfer to Coryell County any assets that  
11 remain after the payment of debts; and

12 (C) maintain the organization of the district  
13 until all debts are paid and remaining assets are transferred; and

14 (2) this chapter expires September 1, 2012.

15 (b) This section expires September 1, 2012.

16 Sec. 8823.004. INITIAL DISTRICT TERRITORY. The initial  
17 boundaries of the district are coextensive with the boundaries of  
18 Coryell County, Texas.

19 Sec. 8823.005. CONSTRUCTION OF CHAPTER. This chapter shall  
20 be liberally construed to achieve the legislative intent and  
21 purposes of Chapter 36, Water Code. A power granted by Chapter 36,  
22 Water Code, or this chapter shall be broadly interpreted to achieve  
23 that intent and those purposes.

24 Sec. 8823.006. APPLICABILITY OF OTHER GROUNDWATER  
25 CONSERVATION DISTRICT LAW. Except as otherwise provided by this  
26 chapter, Chapter 36, Water Code, applies to the district.

27 [Sections 8823.007-8823.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8823.021. APPOINTMENT OF TEMPORARY DIRECTORS.

(a) Not later than the 45th day after the effective date of this chapter, five temporary directors shall be appointed as follows:

(1) the Coryell County Commissioners Court shall appoint one temporary director from each of the four commissioners precincts in the county to represent the precincts in which the temporary directors reside; and

(2) the county judge of Coryell County shall appoint one temporary director who resides in the district to represent the district at large.

(b) If there is a vacancy on the temporary board, the authority who appointed the temporary director whose position is vacant shall appoint a person to fill the vacancy.

(c) Temporary directors serve until the earlier of:

(1) the time the temporary directors become initial directors as provided by Section 8823.024; or

(2) the date this chapter expires under Section 8823.003.

Sec. 8823.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the Coryell County Courthouse.



1       Sec. 8823.023. CONFIRMATION ELECTION. (a) The temporary  
 2 directors shall hold an election to confirm the creation of the  
 3 district.

4       (b) Section 41.001(a), Election Code, does not apply to a  
 5 confirmation election held as provided by this section.

6       (c) Except as provided by this section, a confirmation  
 7 election must be conducted as provided by Sections 36.017(b), (c),  
 8 and (e)-(i), Water Code, and the Election Code. Section 36.017(d),  
 9 Water Code, does not apply to the confirmation election.

10       (d) The ballot for the election must be printed in  
 11 accordance with the Election Code and provide for voting for or  
 12 against the proposition: "The creation of the Tablerock  
 13 Groundwater Conservation District and the imposition of a  
 14 maintenance tax at a rate not to exceed two cents on each \$100 of  
 15 assessed valuation of taxable property in the district."

16       (e) If a majority of the votes cast at the election are not  
 17 in favor of the creation of the district, the temporary directors  
 18 may hold a subsequent confirmation election. The subsequent  
 19 election may not be held before the first anniversary of the date on  
 20 which the previous election was held.

21       (f) The district may not impose a maintenance tax unless a  
 22 majority of the votes cast at the election are in favor of the  
 23 imposition of the maintenance tax.

24       Sec. 8823.024. INITIAL DIRECTORS. (a) If creation of the  
 25 district is confirmed at an election held under Section 8823.023,  
 26 the temporary directors become the initial directors and serve for  
 27 the terms provided by Subsection (b).

(b) The initial directors representing commissioners precincts 2 and 4 serve until the election of directors under Section 8823.025, and the initial directors representing commissioners precincts 1 and 3 and the at-large director serve until the next regularly scheduled election of directors under Section 8823.053.

Sec. 8823.025. INITIAL ELECTION OF DIRECTORS. On the uniform election date in November of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 8823.023, the district shall hold an election of two directors to replace the initial directors who, under Section 8823.024(b), serve until that election.

Sec. 8823.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012.

[Sections 8823.027-8823.050 reserved for expansion]

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8823.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8823.052. METHOD OF ELECTING DIRECTORS. One director is elected from each county commissioners precinct in Coryell County and one director is elected at large.

Sec. 8823.053. ELECTION DATE. The district shall hold an election in the district to elect directors on the uniform election date in November of each even-numbered year.

Sec. 8823.054. QUALIFICATIONS FOR ELECTION. (a) To be qualified for election as a director, a person must reside in the

district.

(b) To be qualified for election as a director from a precinct, a person must reside in that precinct.

[Sections 8823.055-8823.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

-Sec. 8823.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, and Section 59, Article XVI, Texas Constitution, applicable to groundwater conservation districts.

Sec. 8823.102. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS. The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, if the well is not exempt under Section 36.117(b)(1), Water Code, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Sec. 8823.103. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Sec. 8823.104. ADOPTION OF RULES AND ISSUANCE OF PERMITS.  
Before the district adopts a management plan, the district may adopt rules and issue permits.

Sec. 8823.105. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES.  
 (a) The district and another governmental entity, including a river authority located in the district, may contract for the performance by that entity of a district function.

(b) The district may accept a loan from Coryell County to pay for any initial costs of the district, including costs related to a confirmation election.

Sec. 8823.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 8823.107. DISTRICT TERRITORY REQUIREMENTS; DISSOLUTION OF DISTRICT. (a) On September 1, 2011, the district boundaries must include at least one county adjacent to Coryell County.

(b) As soon as practicable after September 1, 2011, the Texas Commission on Environmental Quality shall determine whether the district complies with Subsection (a).

(c) If the Texas Commission on Environmental Quality

1 determines that the district does not comply with Subsection (a),  
2 the commission shall dissolve the district in accordance with  
3 Sections 36.304, 36.305, 36.307, 36.308, 36.309, and 36.310, Water  
4 Code, regardless of whether the district meets the criteria for  
5 dissolution under Section 36.304(a), Water Code.

6 (d) This section expires September 1, 2013.

7 [Sections 8823.108-8823.150 reserved for expansion]

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 8823.151. REVENUE. To pay the maintenance and  
10 operating costs of the district and to pay any bonds or notes issued  
11 by the district, the district may:

12 (1) impose an ad valorem tax at a rate that:

13 (A) is approved by a majority of district voters  
14 voting at an election held for that purpose; and

15 (B) does not exceed two cents on each \$100 of  
16 assessed valuation of taxable property in the district;

17 (2) assess fees for services or for water withdrawn  
18 from nonexempt wells; or

19 (3) solicit and accept grants from any private or  
20 public source.

21 [Sections 8823.152-8823.200 reserved for expansion]

22 SUBCHAPTER E. DISSOLUTION

23 Sec. 8823.201. ELECTION FOR DISSOLUTION. (a) If the  
24 district has no outstanding bond or other long-term indebtedness,  
25 the district may be dissolved by a favorable vote of a majority of  
26 the registered voters of the district at an election held for that  
27 purpose.

1        (b) The board shall hold a dissolution election if the board  
2        receives a petition for dissolution signed by at least 50 percent of  
3        the registered voters in the district as computed by using the list  
4        of registered voters for Coryell County.

5        (c) If the district is dissolved under this section, the  
6        board shall:

7                (1) notify the Texas Commission on Environmental  
8        Quality and the secretary of state of the dissolution; and

9                (2) transfer title to any assets of the district to  
10        Coryell County.

11        SECTION 11.02. (a) The legal notice of the intention to  
12        introduce this article, setting forth the general substance of this  
13        article, has been published as provided by law, and the notice and a  
14        copy of this article have been furnished to all persons, agencies,  
15        officials, or entities to which they are required to be furnished  
16        under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
17        Government Code.

18        (b) The governor has submitted the notice and article to the  
19        Texas Commission on Environmental Quality.

20        (c) The Texas Commission on Environmental Quality has filed  
21        its recommendations relating to this article with the governor,  
22        lieutenant governor, and speaker of the house of representatives  
23        within the required time.

24        (d) All requirements of the constitution and laws of this  
25        state and the rules and procedures of the legislature with respect  
26        to the notice, introduction, and passage of this article are  
27        fulfilled and accomplished.

ARTICLE 12. EDWARDS AQUIFER AUTHORITY

SECTION 12.01. Section 1.11, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended by amending Subsection (f) and adding Subsections (f-1) and (f-2) to read as follows:

(f) The authority may own, finance, design, ~~[contract with a person who uses water from the aquifer for the authority or that person to]~~ construct, operate, or ~~[own, finance, and]~~ maintain recharge [water supply] facilities. ~~[Management fees or special fees may not be used for purchasing or operating these facilities.]~~ For the purpose of this subsection, "recharge [water supply] facility" means ~~[includes]~~ a dam, reservoir, ~~[treatment facility, transmission facility,]~~ or other method of recharge project and associated facilities, structures, or works but does not include a facility to recirculate water at Comal or San Marcos Springs.

(f-1) The authority shall provide written notice of the intent to own, finance, design, construct, operate, or maintain recharge facilities to:

(1) each groundwater conservation district in the area in which the recharge facility will be located;

(2) the mayor of each municipality in the area in which the recharge facility will be located;

(3) the county judge of each county in the area in which the recharge facility will be located; and

(4) each member of the legislature who represents the area in which the proposed recharge facility will be located.

(f-2) Any entity within the county in which a recharge

facility is to be constructed shall be provided opportunity for input and allowed to provide proposals for partnering with the authority to own, finance, design, construct, operate, or maintain the recharge facility.

SECTION 12.02. Subsections (a), (c), (e), (f), and (h), Section 1.14, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, are amended to read as follows:

(a) Authorizations to withdraw water from the aquifer and all authorizations and rights to make a withdrawal under this Act shall be limited in accordance with this section to:

- (1) protect the water quality of the aquifer;
- (2) protect the water quality of the surface streams to which the aquifer provides springflow;
- (3) achieve water conservation;
- (4) maximize the beneficial use of water available for withdrawal from the aquifer;
- (5) recognize the extent of the hydro-geologic connection and interaction between surface water and groundwater;
- (6) protect aquatic and wildlife habitat;
- (7) ~~[(6)]~~ protect species that are designated as threatened or endangered under applicable federal or state law; and
- (8) ~~[(7)]~~ provide for instream uses, bays, and estuaries.

(c) Except as provided by Subsections ~~[(d)]~~ (f) ~~[(g)]~~ and (h) of this section and Section 1.26 of this article, for the period beginning January 1, 2008, the amount of permitted withdrawals from the aquifer may not exceed or be less than 572,000 ~~[400,000]~~



1 acre-feet of water for each calendar year, which is the sum of all  
2 regular permits issued or for which an application was filed and  
3 issuance was pending action by the authority as of January 1, 2005.

4 (e) The authority may not allow withdrawals from the aquifer  
5 through wells drilled after June 1, 1993, except for replacement,  
6 test, or exempt wells or to the extent that the authority approves  
7 an amendment to an initial regular permit to authorize a change in  
8 the point of withdrawal under that permit ~~[additional water as~~  
9 ~~provided by Subsection (d) and then on an interruptible basis].~~

10 (f) If the level of the aquifer is equal to or greater than  
11 660 ~~[650]~~ feet above mean sea level as measured at Well J-17, the  
12 authority may authorize withdrawal from the San Antonio pool, on an  
13 uninterrupted basis, of permitted amounts. If the level of the  
14 aquifer is equal to or greater than 845 feet at Well J-27, the  
15 authority may authorize withdrawal from the Uvalde pool, on an  
16 uninterrupted basis, of permitted amounts. ~~[The authority shall~~  
17 ~~limit the additional withdrawals to ensure that springflows are not~~  
18 ~~affected during critical drought conditions.]~~

19 (h) To accomplish the purposes of this article, ~~[by June 1,~~  
20 ~~1994,~~] the authority, through a program, shall implement and  
21 enforce water management practices, procedures, and methods to  
22 ensure that, not later than December 31, 2012, the continuous  
23 minimum springflows of the Comal Springs and the San Marcos Springs  
24 are maintained to protect endangered and threatened species to the  
25 extent required by federal law and to achieve other purposes  
26 provided by Subsection (a) of this section and Section 1.26 of this  
27 article. The authority from time to time as appropriate may revise

1 the practices, procedures, and methods. To meet this requirement,  
2 the authority shall require:

3 (1) phased adjustments to [~~reductions in~~] the amount  
4 of water that may be used or withdrawn by existing users or  
5 categories of other users, including adjustments in accordance with  
6 the authority's critical period management plan established under  
7 Section 1.26 of this article; or

8 (2) implementation of alternative management  
9 practices, procedures, and methods.

10 SECTION 12.03. Subsection (g), Section 1.16, Chapter 626,  
11 Acts of the 73rd Legislature, Regular Session, 1993, is amended to  
12 read as follows:

13 (g) The authority shall issue an initial regular permit  
14 without a term, and an initial regular permit remains in effect  
15 until the permit is abandoned or [~~7~~] cancelled [~~7 or retired~~].

16 SECTION 12.04. Subsection (b), Section 1.19, Chapter 626,  
17 Acts of the 73rd Legislature, Regular Session, 1993, is amended to  
18 read as follows:

19 (b) Withdrawal of water under a term permit must be  
20 consistent with the authority's critical period management plan  
21 established under Section 1.26 of this article. A holder of a term  
22 permit may not withdraw water from the San Antonio pool of the  
23 aquifer unless:

24 (1) the level of the aquifer is higher than 675 [~~665~~]  
25 feet above sea level, as measured at Well J-17;

26 (2) the flow at Comal Springs as determined by Section  
27 1.26(c) of this article is greater than 350 cubic feet per second;

1 and

2 (3) the flow at San Marcos Springs as determined by  
3 Section 1.26(c) of this article is greater than 200 cubic feet per  
4 second.

5 SECTION 12.05. Subsection (a), Section 1.22, Chapter 626,  
6 Acts of the 73rd Legislature, Regular Session, 1993, is amended to  
7 read as follows:

8 (a) The authority may acquire permitted rights to use water  
9 from the aquifer for the purposes of:

10 (1) holding those rights in trust for sale or transfer  
11 of the water or the rights to persons within the authority's  
12 jurisdiction who may use water from the aquifer;

13 (2) holding those rights in trust as a means of  
14 managing overall demand on the aquifer; or

15 (3) holding those rights for resale ~~[or retirement as~~  
16 ~~a means of complying with pumping reduction requirements under this~~  
17 ~~article, or~~

18 ~~[(4) retiring those rights, including those rights~~  
19 ~~already permitted].~~

20 SECTION 12.06. Article 1, Chapter 626, Acts of the 73rd  
21 Legislature, Regular Session, 1993, is amended by amending Section  
22 1.26 and adding Section 1.26A to read as follows:

23 Sec. 1.26. CRITICAL PERIOD MANAGEMENT PLAN. (a) After  
24 review of the recommendations received in the program document, as  
25 prescribed by Section 1.26A of this article, the [The] authority by  
26 rule shall adopt [prepare and coordinate implementation of] a [plan  
27 ~~for]~~ critical period management plan consistent with Sections

1 1.14(a), (f), and (h) of this article ~~[on or before September 1,~~  
2 ~~1995]~~. The critical period management plan shall be adopted by the  
3 authority no later than six months after the authority's receipt of  
4 the program document. On adoption of the critical period  
5 management plan, the authority shall provide a written report to  
6 the governor, lieutenant governor, and speaker of the house of  
7 representatives describing the actions taken in response to each  
8 recommendation and, for each recommendation not implemented, the  
9 reason it was not implemented. The plan ~~[mechanisms]~~ must:

10 (1) distinguish between discretionary use and  
11 nondiscretionary use;

12 (2) require reductions of all discretionary use to the  
13 maximum extent feasible;

14 (3) require utility pricing, to the maximum extent  
15 feasible, to limit discretionary use by the customers of water  
16 utilities; ~~[and]~~

17 (4) require reduction of nondiscretionary use by  
18 permitted or contractual users, to the extent further reductions  
19 are necessary, in the reverse order of the following water use  
20 preferences:

21 (A) municipal, domestic, and livestock;

22 (B) industrial and crop irrigation;

23 (C) residential landscape irrigation;

24 (D) recreational and pleasure; and

25 (E) other uses that are authorized by law; and

26 (5) allow irrigation use to continue in order to  
27 permit the user to complete the irrigation of a crop in progress.

(b) In this section, "MSL" means the elevation above mean sea level, measured in feet, of the surface of the water in a well, and "CFS" means cubic feet per second. Not later than January 1, 2008, the authority shall, by rule, adopt and enforce a critical period management plan with withdrawal reduction percentages in the amounts indicated in Tables 1 and 2 whether according to the index well levels or the Comal or San Marcos Springs flow as applicable, for a total in critical period Stage IV of 40 percent of the permitted withdrawals under Table 1 and 35 percent under Table 2:

TABLE 1

CRITICAL PERIOD WITHDRAWAL REDUCTION STAGES

FOR THE SAN ANTONIO POOL				
Comal Springs Flow cfs	San Marcos Springs Flow cfs	Index Well J-17 Level MSL	Critical Period Stage	Withdrawal Reduction- San Antonio Pool
<225	<96	<660	I	20%
<200	<80	<650	II	30%
<150	N/A	<640	III	35%
<100	N/A	<630	IV	40%

TABLE 2

CRITICAL PERIOD WITHDRAWAL REDUCTION STAGES

FOR THE UVALDE POOL		
Withdrawal Reduction-Uvalde Pool	Index Well J-27 Level MSL	Critical Period Stage
N/A	---	I
5%	<850	II
20%	<845	III
35%	<842	IV

(c) A change to a critical period stage with higher withdrawal reduction percentages is triggered if the 10-day average of daily springflows at the Comal Springs or the San Marcos Springs or the 10-day average of daily aquifer levels at the J-17 Index Well

1 drops below the lowest number of any of the trigger levels indicated  
2 in Table 1. A change to a critical period stage with lower  
3 withdrawal reduction percentages is triggered only when the 10-day  
4 average of daily springflows at the Comal Springs and the San Marcos  
5 Springs and the 10-day average of daily aquifer levels at the J-17  
6 Index Well are all above the same stage trigger level. The  
7 authority may adjust the withdrawal percentages for Stage IV in  
8 Tables 1 and 2 if necessary in order to comply with Subsection (d)  
9 or (e) of this section.

10 (d) Beginning September 1, 2007, the authority may not  
11 require the volume of permitted withdrawals to be less than an  
12 annualized rate of 340,000 acre-feet, under critical period Stage  
13 IV.

14 (e) After January 1, 2013, the authority may not require the  
15 volume of permitted withdrawals to be less than an annualized rate  
16 of 320,000 acre-feet, under critical period Stage IV unless, after  
17 review and consideration of the recommendations provided under  
18 Section 1.26A of this article, the authority determines that a  
19 different volume of withdrawals is consistent with Sections  
20 1.14(a), (f), and (h) of this article in maintaining protection for  
21 federally listed threatened and endangered species associated with  
22 the aquifer to the extent required by federal law.

23 (f) Notwithstanding Subsections (d) and (e) of this  
24 section, the authority may require further withdrawal reductions  
25 before reviewing and considering the recommendations provided  
26 under Section 1.26A of this article if the discharge of Comal  
27 Springs or San Marcos Springs declines an additional 15 percent

1 after Stage IV withdrawal reductions are imposed under Subsection  
2 (b) of this section. This subsection expires on the date that  
3 critical period management plan rules adopted by the authority  
4 based on the recommendations provided under Section 1.26A of this  
5 article take effect.

6 (g) Notwithstanding the existence of any stage of an interim  
7 or final critical period adopted by the authority under this  
8 section, a person authorized to withdraw groundwater from the  
9 aquifer for irrigation purposes shall, without regard to the  
10 withdrawal reductions prescribed for that stage, be allowed to  
11 finish a crop already planted in the calendar year during which the  
12 critical period is in effect.

13 Sec. 1.26A. DEVELOPMENT OF WITHDRAWAL REDUCTION LEVELS AND  
14 STAGES FOR CRITICAL PERIOD MANAGEMENT THROUGH RECOVERY  
15 IMPLEMENTATION PROGRAM. (a) The authority, with the assistance of  
16 Texas A&M University, shall cooperatively develop a recovery  
17 implementation program through a facilitated, consensus-based  
18 process that involves input from the United States Fish and  
19 Wildlife Service, other appropriate federal agencies, and all  
20 interested stakeholders, including those listed under Subsection  
21 (e)(1) of this section. The recovery implementation program shall  
22 be developed for the species that are:

23 (1) listed as threatened or endangered species under  
24 federal law; and

25 (2) associated with the aquifer.

26 (b) The authority shall enter into a memorandum of agreement  
27 with the United States Fish and Wildlife Service, other appropriate

1 federal agencies, the Texas Commission on Environmental Quality,  
2 the Parks and Wildlife Department, the Department of Agriculture,  
3 the Texas Water Development Board, and other stakeholders, not  
4 later than December 31, 2007, in order to develop a program document  
5 that may be in the form of a habitat conservation plan used in  
6 issuance of an incidental take permit as outlined in Subsection (d)  
7 of this section.

8 (c) The authority shall enter into an implementing  
9 agreement with the United States Fish and Wildlife Service, other  
10 appropriate federal agencies, the Texas Commission on  
11 Environmental Quality, the Parks and Wildlife Department, the  
12 Department of Agriculture, the Texas Water Development Board, and  
13 other stakeholders to develop a program document that may be in the  
14 form of a habitat conservation plan used in issuance of an  
15 incidental take permit as outlined in Subsection (d) of this  
16 section not later than December 31, 2009.

17 (d) The authority, the Texas Commission on Environmental  
18 Quality, the Parks and Wildlife Department, the Department of  
19 Agriculture, the Texas Water Development Board, and other  
20 stakeholders shall jointly prepare a program document that may be  
21 in the form of a habitat conservation plan used in issuance of an  
22 incidental take permit with the United States secretary of the  
23 interior, through the United States Fish and Wildlife Service and  
24 other appropriate federal agencies, under Section 4 or Section 6,  
25 Endangered Species Act of 1973 (16 U.S.C. Section 1533 or 1535), as  
26 applicable, based on the program developed under Subsection (a) of  
27 this section. The program document shall:



1           (1) provide recommendations for withdrawal  
2 adjustments based on a combination of spring discharge rates of the  
3 San Marcos and Comal Springs and levels at the J-17 and J-27 wells  
4 during critical periods to ensure that federally listed,  
5 threatened, and endangered species associated with the Edwards  
6 Aquifer will be protected at all times, including throughout a  
7 repeat of the drought of record;

8           (2) include provisions to pursue cooperative and grant  
9 funding to the extent available from all state, federal, and other  
10 sources for eligible programs included in the cooperative agreement  
11 under Subsection (c) of this section, including funding for a  
12 program director; and

13           (3) be approved and executed by the authority, the  
14 Texas Commission on Environmental Quality, the Parks and Wildlife  
15 Department, the Department of Agriculture, the Texas Water  
16 Development Board, and the United States Fish and Wildlife Service  
17 not later than September 1, 2012, and the agreement shall take  
18 effect December 31, 2012.

19           (e) Texas A&M University shall assist in the creation of a  
20 steering committee to oversee and assist in the development of the  
21 cooperative agreement under Subsection (c) of this section. The  
22 steering committee must be created not later than September 30,  
23 2007. The initial steering committee shall be composed of:

24           (1) a representative of each of the following  
25 entities, as appointed by the governing body of that entity:

26                   (A) the Edwards Aquifer Authority;

27                   (B) the Texas Commission on Environmental

1 Quality;

2 (C) the Parks and Wildlife Department;

3 (D) the Department of Agriculture;

4 (E) the Texas Water Development Board;

5 (F) the San Antonio Water System;

6 (G) the Guadalupe-Blanco River Authority;

7 (H) the San Antonio River Authority;

8 (I) the South Central Texas Water Advisory

9 Committee;

10 (J) Bexar County;

11 (K) CPS Energy; and

12 (L) Bexar Metropolitan Water District or its

13 successor; and

14 (2) nine other persons who respectively must be:

15 (A) a representative of a holder of an initial  
16 regular permit issued to a retail public utility located west of  
17 Bexar County, to be appointed by the authority;

18 (B) a representative of a holder of an initial  
19 regular permit issued by the authority for industrial purposes, to  
20 be appointed by the authority;

21 (C) a representative of a holder of an industrial  
22 surface water right in the Guadalupe River Basin, to be appointed by  
23 the Texas Commission on Environmental Quality;

24 (D) a representative of a holder of a municipal  
25 surface water right in the Guadalupe River Basin, to be appointed by  
26 the Texas Commission on Environmental Quality;

27 (E) a representative of a retail public utility

1 in whose service area the Comal Springs or San Marcos Springs is  
2 located;

3 (F) a representative of a holder of an initial  
4 regular permit issued by the authority for irrigation, to be  
5 appointed by the commissioner of agriculture;

6 (G) a representative of an agricultural producer  
7 from the Edwards Aquifer region, to be appointed by the  
8 commissioner of agriculture;

9 (H) a representative of environmental interests  
10 from the Texas Living Waters Project, to be appointed by the  
11 governing body of that project; and

12 (I) a representative of recreational interests  
13 in the Guadalupe River Basin, to be appointed by the Parks and  
14 Wildlife Commission.

15 (f) The steering committee shall work with Texas A&M  
16 University to:

17 (1) establish a regular meeting schedule and publish  
18 that schedule to encourage public participation; and

19 (2) not later than October 31, 2007, hire a program  
20 director to be housed at Texas A&M University.

21 (g) Texas A&M University may accept outside funding to pay  
22 the salary and expenses of the program director hired under this  
23 section and any expenses associated with the university's  
24 participation in the creation of the steering committee or  
25 subcommittees established by the steering committee.

26 (h) Where reasonably practicable or as required by law, any  
27 meeting of the steering committee, the Edwards Aquifer area expert

1 science subcommittee, or another subcommittee established by the  
2 steering committee must be open to the public.

3 (i) The steering committee appointed under this section  
4 shall appoint an Edwards Aquifer area expert science subcommittee  
5 not later than December 31, 2007. The expert science subcommittee  
6 must be composed of an odd number of not fewer than seven or more  
7 than 15 members who have technical expertise regarding the Edwards  
8 Aquifer system, the threatened and endangered species that inhabit  
9 that system, springflows, or the development of withdrawal  
10 limitations. The Bureau of Economic Geology of The University of  
11 Texas at Austin and the River Systems Institute at Texas State  
12 University shall assist the expert science subcommittee. Chapter  
13 2110, Government Code, does not apply to the size, composition, or  
14 duration of the expert science subcommittee.

15 (j) The Edwards Aquifer area expert science subcommittee  
16 shall, among other things, analyze species requirements in relation  
17 to spring discharge rates and aquifer levels as a function of  
18 recharge and withdrawal levels. Based on that analysis and the  
19 elements required to be considered by the authority under Section  
20 1.14 of this article, the expert science subcommittee shall,  
21 through a collaborative process designed to achieve consensus,  
22 develop recommendations for withdrawal reduction levels and stages  
23 for critical period management including, if appropriate,  
24 establishing separate and possibly different withdrawal reduction  
25 levels and stages for critical period management for different  
26 pools of the aquifer needed to maintain target spring discharge and  
27 aquifer levels. The expert science subcommittee shall submit its

1 recommendations to the steering committee and all other  
2 stakeholders involved in the recovery implementation program under  
3 this section.

4 (k) The initial recommendations of the Edwards Aquifer area  
5 expert science subcommittee must be completed and submitted to the  
6 steering committee and other stakeholders not later than December  
7 31, 2008, and should include an evaluation:

8 (1) of the option of designating a separate San Marcos  
9 pool, of how such a designation would affect existing pools, and of  
10 the need for an additional well to measure the San Marcos pool, if  
11 designated;

12 (2) of the necessity to maintain minimum springflows,  
13 including a specific review of the necessity to maintain a flow to  
14 protect the federally threatened and endangered species; and

15 (3) as to whether adjustments in the trigger levels  
16 for the San Marcos Springs flow for the San Antonio pool should be  
17 made.

18 (1) In developing its recommendations, the Edwards Aquifer  
19 area expert science subcommittee shall:

20 (1) consider all reasonably available science,  
21 including any Edwards Aquifer-specific studies, and base its  
22 recommendations solely on the best science available; and

23 (2) operate on a consensus basis to the maximum extent  
24 possible.

25 (m) After development of the cooperative agreement, the  
26 steering committee, with the assistance of the Edwards Aquifer area  
27 expert science subcommittee and with input from the other recovery

1 implementation program stakeholders, shall prepare and submit  
2 recommendations to the authority. The recommendations must:

3 (1) include a review of the critical period management  
4 plan, to occur at least once every five years;

5 (2) include specific monitoring, studies, and  
6 activities that take into account changed conditions and  
7 information that more accurately reflects the importance of  
8 critical period management; and

9 (3) establish a schedule for continuing the validation  
10 or refinement of the critical period management plan adopted by the  
11 authority and the strategies to achieve the program and cooperative  
12 agreement described by this section.

13 (n) In this subsection, "recharge facility" means a dam,  
14 reservoir, or other method of recharge project and associated  
15 facilities, structures, or works but does not include facilities  
16 designed to recirculate water at Comal or San Marcos Springs. The  
17 steering committee shall establish a recharge facility feasibility  
18 subcommittee to:

19 (1) assess the need for the authority or any other  
20 entity to own, finance, design, construct, operate, or maintain  
21 recharge facilities;

22 (2) formulate plans to allow the authority or any  
23 other entity to own, finance, design, construct, operate, or  
24 maintain recharge facilities;

25 (3) make recommendations to the steering committee as  
26 to how to calculate the amount of additional water that is made  
27 available for use from a recharge project including during times of

1 critical period reductions;

2 (4) maximize available federal funding for the  
3 authority or any other entity to own, finance, design, construct,  
4 operate, or maintain recharge facilities; and

5 (5) evaluate the financing of recharge facilities,  
6 including the use of management fees or special fees to be used for  
7 purchasing or operating the facilities.

8 (o) The steering committee may establish other  
9 subcommittees as necessary, including a hydrology subcommittee, a  
10 community outreach and education subcommittee, and a water supply  
11 subcommittee.

12 (p) On execution of the memorandum of agreement described by  
13 Subsection (b) of this section, the steering committee described by  
14 Subsection (e) of this section may, by majority vote of its members,  
15 vote to add members to the steering committee, change the makeup of  
16 the committee, or dissolve the committee. If the steering  
17 committee is dissolved, the program director hired under Subsection  
18 (f) of this section shall assume the duties of the steering  
19 committee.

20 (q) The authority shall provide an annual report to the  
21 governor, lieutenant governor, and speaker of the house of  
22 representatives not later than January 1 of each year that details:

23 (1) the status of the recovery implementation program  
24 development process;

25 (2) the likelihood of completion of the recovery  
26 implementation program and the cooperative agreement described by  
27 Subsection (c) of this section;

1           (3) the extent to which the recommendations of the  
2 Edwards Aquifer area expert science subcommittee are being  
3 considered and implemented by the authority;

4           (4) any other actions that need to be taken in response  
5 to each recommendation;

6           (5) reasons explaining why any recommendation  
7 received has not been implemented; and

8           (6) any other issues the authority considers of value  
9 for the efficient and effective completion of the program and the  
10 cooperative agreement under this section.

11           SECTION 12.07. Subsections (b), (h), and (i), Section 1.29,  
12 Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993,  
13 are amended to read as follows:

14           (b) The authority shall assess equitable aquifer management  
15 fees based on aquifer use under the water management plan to finance  
16 its administrative expenses and programs authorized under this  
17 article. Each water district governed by Chapter 36 [52], Water  
18 Code, that is within the authority's boundaries may contract with  
19 the authority to pay expenses of the authority through taxes in lieu  
20 of user fees to be paid by water users in the district. The contract  
21 must provide that the district will pay an amount equal to the  
22 amount that the water users in the district would have paid through  
23 user fees. The authority may not collect a total amount of fees and  
24 taxes that is more than is reasonably necessary for the  
25 administration of the authority.

26           (h) Fees assessed by the authority may not be used to fund  
27 the cost of reducing withdrawals or retiring permits or of



1 judgments or claims related to withdrawals or permit retirements  
 2 [Special fees collected under Subsection (c) or (d) of this section  
 3 may not be used to finance a surface water supply reservoir  
 4 project].

5 (i) The authority and other stakeholders, including state  
 6 agencies, listed under Section 1.26A of this article shall provide  
 7 money as necessary~~[, but not to exceed five percent of the money~~  
 8 ~~collected under Subsection (d) of this section,~~] to finance the  
 9 activities of the steering committee and any subcommittees  
 10 appointed by the steering committee and the program director of the  
 11 recovery implementation program under Section 1.26A of this  
 12 article. The authority shall provide, as necessary, up to \$75,000  
 13 annually, adjusted for changes in the consumer price index, to  
 14 finance the South Central Texas Water Advisory Committee's  
 15 administrative expenses and programs authorized under this  
 16 article.

17 SECTION 12.08. Subsection (a), Section 1.45, Chapter 626,  
 18 Acts of the 73rd Legislature, Regular Session, 1993, is amended to  
 19 read as follows:

20 (a) The authority may own, finance, design, construct,  
 21 [build or] operate, and maintain recharge dams and associated  
 22 facilities, structures, or works in the contributing or recharge  
 23 area of the aquifer if the recharge is made to increase the yield of  
 24 the aquifer, ~~[and]~~ the recharge project does not impair senior  
 25 water rights or vested riparian rights, and the recharge project is  
 26 not designed to recirculate water at Comal or San Marcos Springs.

27 SECTION 12.09. Subsections (b) and (d), Section 1.14,

1 Section 1.21, and Subsections (a), (c), and (d), Section 1.29,  
2 Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993,  
3 are repealed.

4 SECTION 12.10. (a) Before January 1, 2012, a suit may not  
5 be instituted in a state court contesting:

6 (1) the validity or implementation of this article; or

7 (2) the groundwater withdrawal amounts recognized in  
8 Section 1.14, Chapter 626, Acts of the 73rd Legislature, Regular  
9 Session, 1993, as amended by this Act.

10 (b) If applicable, a party that files a suit in any court  
11 shall be automatically removed from the steering committee  
12 established under Section 1.26A, Chapter 626, Acts of the 73rd  
13 Legislature, Regular Session, 1993, as added by this Act.

14 (c) A suit against the Edwards Aquifer Authority may not be  
15 instituted or maintained by a person who owns, holds, or uses a  
16 surface water right and claims injury or potential injury to that  
17 right for any reason, including any actions taken by the Edwards  
18 Aquifer Authority to implement or enforce Article 1, Chapter 626,  
19 Acts of the 73rd Legislature, Regular Session, 1993, as amended.  
20 This section does not apply to suits brought pursuant to Section  
21 1.45, Chapter 626, Acts of the 73rd Legislature, Regular Session,  
22 1993.

23 SECTION 12.11. The change in law made by this article  
24 applies only to a cause of action filed on or after the effective  
25 date of this article. A cause of action that is filed before the  
26 effective date of this article is governed by the law in effect  
27 immediately before the effective date of this article, and that law

1 is continued in effect for that purpose.

2 SECTION 12.12. This article takes effect immediately if  
3 this Act receives a vote of two-thirds of all the members elected to  
4 each house, as provided by Section 39, Article III, Texas  
5 Constitution. If this Act does not receive the vote necessary for  
6 immediate effect, this article takes effect September 1, 2007.

7 ARTICLE 13. TERRITORY OF CULBERSON COUNTY GROUNDWATER CONSERVATION

8 DISTRICT

9 SECTION 13.01. Chapter 1075, Acts of the 75th Legislature,  
10 Regular Session, 1997, is amended by adding Section 3A to read as  
11 follows:

12 Sec. 3A. In addition to the portions of Culberson County  
13 included in the boundaries of the district on August 31, 2007, the  
14 boundaries of the district include all of the remaining territory  
15 in Culberson County.

16 SECTION 13.02. (a) The annexation under Section 3A, Chapter  
17 1075, Acts of the 75th Legislature, Regular Session, 1997, as added  
18 by this article, of the additional territory in Culberson County  
19 that was not included in the boundaries of the Culberson County  
20 Groundwater Conservation District on August 31, 2007, is subject to  
21 ratification at an election held under Section 36.328, Water Code,  
22 and this section in which only the voters residing in the territory  
23 to be annexed are eligible to vote.

24 (b) The board of directors of the Culberson County  
25 Groundwater Conservation District shall hold the ratification  
26 election on the first uniform election date that occurs after the  
27 effective date of this article that allows for compliance with the

1 time requirements of the Election Code.

2 (c) If a majority of the voters voting at the ratification  
3 election vote in favor of the annexation, the Culberson County  
4 Groundwater Conservation District boundaries include all of  
5 Culberson County.

6 (d) If a majority of the voters voting at the ratification  
7 election do not vote in favor of the annexation, the Culberson  
8 County Groundwater Conservation District boundaries are unchanged  
9 and this article expires.

10 ARTICLE 14. EFFECTIVE DATE

11 SECTION 14.01. Except as otherwise provided by this Act,  
12 this Act takes effect September 1, 2007.

**Senate Bill 3**  
Conference Committee Report  
Section-by-Section Analysis

SENATE VERSION	HOUSE VERSION	CONFERENCE
No equivalent article title.	ARTICLE 1. ENVIRONMENTAL FLOWS	ARTICLE 1. Same as Senate version.
SECTIONs 1.01-1.27.	SECTIONs 1.01-1.27. Same as Senate version.	SECTIONs 1.01-1.27. Same as Senate version.
ARTICLE 2. WATER CONSERVATION AND PLANNING	ARTICLE 2. Same title as Senate version.	ARTICLE 2. WATER CONSERVATION AND PLANNING AND OTHER WATER-RELATED PROVISIONS
SECTION 2.01. Amends Section 1.003, Water Code.	Same as Senate version.	SECTION 2.01. Same as Senate version.
SECTION 2.02. Adds Section 1.004, Water Code.	Same as Senate version.	SECTION 2.02. Same as Senate version.
No equivalent provision.	<p>SECTION 2. Subtitle A, Title 2, Water Code, is amended by adding Chapter 10 to read as follows:</p> <p><u>CHAPTER 10. WATER CONSERVATION ADVISORY COUNCIL</u></p> <p><u>Sec. 10.001. DEFINITIONS. In this chapter:</u></p> <p><u>(1) "Best management practices" has the meaning assigned by Section 11.002.</u></p> <p><u>(2) "Board" means the Texas Water Development Board.</u></p> <p><u>(3) "Commission" means the Texas Commission on Environmental Quality.</u></p> <p><u>(4) "Council" means the Water Conservation Advisory Council.</u></p> <p><u>Sec. 10.002. PURPOSE. The council is created to provide the governor, lieutenant governor, speaker of the house of representatives, legislature, board, commission, political subdivisions, and public with the resource of a select council with expertise in water conservation.</u></p>	SECTION 2.03. Same as House version.

**Senate Bill 3**  
Conference Committee Report  
Section-by-Section Analysis

SENATE VERSION

HOUSE VERSION

CONFERENCE

Sec. 10.003. CREATION AND MEMBERSHIP. (a)  
The council is composed of 23 members appointed by  
the board. The board shall appoint one member to  
represent each of the following entities or interest  
groups:

- (1) Texas Commission on Environmental Quality;
- (2) Department of Agriculture;
- (3) Parks and Wildlife Department;
- (4) State Soil and Water Conservation Board;
- (5) Texas Water Development Board;
- (6) regional water planning groups;
- (7) federal agencies;
- (8) municipalities;
- (9) groundwater conservation districts;
- (10) river authorities;
- (11) environmental groups;
- (12) irrigation districts;
- (13) institutional water users;
- (14) professional organizations focused on water  
conservation;
- (15) higher education;
- (16) agricultural groups;
- (17) refining and chemical manufacturing;
- (18) electric generation;
- (19) mining and recovery of minerals;
- (20) landscape irrigation and horticulture;
- (21) water control and improvement districts;
- (22) rural water users; and
- (23) municipal utility districts.

(b) Each entity or interest group described by Subsection

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(a) may recommend one or more persons to fill the position on the council held by the member who represents that entity or interest group. If one or more persons are recommended for a position on the council, the board shall appoint one of the persons recommended to fill the position.

Sec. 10.004. TERMS. (a) Members of the council serve staggered terms of six years, with seven or eight members' terms, as applicable, expiring August 31 of each odd-numbered year.

(b) The board shall fill a vacancy on the council for the unexpired term by appointing a person who has the same qualifications as required under Section 10.003 for the person who previously held the vacated position.

Sec. 10.005. PRESIDING OFFICER. The council members shall select one member as the presiding officer of the council to serve in that capacity until the person's term as a council member expires.

Sec. 10.006. COUNCIL STAFF. On request by the council, the board shall provide any necessary staff to assist the council in the performance of its duties.

Sec. 10.007. PUBLIC MEETINGS AND PUBLIC INFORMATION. (a) The council may hold public meetings as needed to fulfill its duties under this chapter.

(b) The council is subject to Chapters 551 and 552, Government Code.

Sec. 10.008. INAPPLICABILITY OF ADVISORY COMMITTEE LAW. Chapter 2110, Government Code, does not apply to the size, composition, or duration of the council.

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Sec. 10.009. COMPENSATION OF MEMBERS. (a) Members of the council serve without compensation but may be reimbursed by legislative appropriation for actual and necessary expenses related to the performance of council duties.

(b) Reimbursement under Subsection (a) is subject to the approval of the presiding officer of the council.

Sec. 10.010. POWERS AND DUTIES OF COUNCIL.

The council shall:

(1) monitor trends in water conservation implementation;

(2) monitor new technologies for possible inclusion by the board as best management practices in the best management practices guide developed by the water conservation implementation task force under Chapter 109, Acts of the 78th Legislature, Regular Session, 2003;

(3) monitor the effectiveness of the statewide water conservation public awareness program developed under Section 16.401 and associated local involvement in implementation of the program;

(4) develop and implement a state water management resource library;

(5) develop and implement a public recognition program for water conservation;

(6) monitor the implementation of water conservation strategies by water users included in regional water plans; and

(7) monitor target and goal guidelines for water conservation to be considered by the board and commission.



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Sec. 10.011. REPORT. Not later than December 1 of each even-numbered year, the council shall submit to the governor, lieutenant governor, and speaker of the house of representatives a report on progress made in water conservation in this state.

Sec. 10.012. DESIGNATION OF CERTIFIED WATER CONSERVATION TRAINING FACILITIES STUDY.

(a) The council shall conduct a study to evaluate the desirability of requiring the board to:

(1) designate as certified water conservation training facilities entities and programs that provide assistance to retail public utilities in developing water conservation plans under Section 13.146; and

(2) give preference to certified water conservation training facilities in making loans or grants for water conservation training and education activities.

(b) Not later than December 1, 2008, the council shall submit a written report containing the findings of the study and the recommendations of the council to the governor, lieutenant governor, and speaker of the house of representatives.

(c) This section expires June 1, 2009.

SECTION 2.03. Adds Section 11.002(20), Water Code.

No equivalent provision.

SECTION 2.03. Same as Senate version.

SECTION 2.\_\_\_\_. Subchapter C, Chapter 11, Water Code, is amended by adding Section 11.098 to read as follows:  
Sec. 11.098. USE OF WATER BY CERTAIN FACILITIES. (a) This section applies only to a facility described by Section 26.551(7):

SECTION 2.04. Same as Senate version.

Same as Senate version.

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(1) for which:  
(A) an application for a permit under Section 382.0518, Health and Safety Code, was received by the commission on or before July 1, 2003; and  
(B) a permit under Section 382.0518, Health and Safety Code, was not issued before September 1, 2005; and  
(2) that is located:  
(A) over an aquifer designated as a sole source aquifer under the federal Safe Drinking Water Act (42 U.S.C. Section 300f et seq.); and  
(B) in a priority groundwater management area designated by the Texas Commission on Environmental Quality.  
(b) An operator of a facility described by Subsection (a) may not use appropriated surface water in connection with the operation of the facility.

No equivalent provision.

SECTION \_\_. Sections 13.002(1-a),(5), and (8), WaterCode, are amended to read as follows:  
(1-a) "Landowner," "owner of a tract of land," and "owners of each tract of land" include multiple owners of a single deeded tract of land as shown on the appraisal roll of the appraisal district established for each county in which the property is located.  
(5) "Commission" means the Texas ~~Natural Resource Conservation~~ Commission on Environmental Quality.  
(8) "Executive director" means the executive director of the commission [Texas ~~Natural Resource Conservation Commission~~].

SECTION 2.05. Same as House version.

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SECTION 2.04. Subchapter E, Chapter 13, Water Code, is amended by adding Section 13.146 to read as follows:

Sec. 13.146. WATER CONSERVATION PLAN. The commission shall require a retail public utility that provides potable water service to a population of 3,300 or more to submit to the executive administrator of the board a water conservation plan based on specific targets and goals developed by the retail public utility and using appropriate best management practices, as defined by Section 11.002, or other water conservation strategies. For purposes of this section, the population served by a retail public utility shall be determined on the basis of the population estimates contained in the most recent regional water plan adopted for the regional water planning area in which the retail public utility's service area is located.

No equivalent provision.

HOUSE VERSION

SECTION 2.04. Subchapter E, Chapter 13, Water Code, is amended by adding Section 13.146 to read as follows:

Sec. 13.146. WATER CONSERVATION PLAN. The commission shall require a retail public utility that provides potable water service to 3,300 or more connections to submit to the executive administrator of the board a water conservation plan based on specific targets and goals developed by the retail public utility and using appropriate best management practices, as defined by Section 11.002, or other water conservation strategies.

SECTION 2.\_\_\_\_. Subchapter E, Chapter 13, Water Code, is amended by adding Section 13.147 to read as follows:

Sec. 13.147. CONSOLIDATED BILLING AND COLLECTION CONTRACTS. (a) A retail public utility providing water service may contract with a retail public utility providing sewer service to bill and collect the sewer service provider's fees and payments as part of a consolidated process with the billing and collection of the water service provider's fees and payments. The water service provider may provide that service only for customers who are served by both providers in an area

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SECTION 2.06. Subchapter E, Chapter 13, Water Code, is amended by adding Sections 13.146 and 13.147 to read as follows:

Sec. 13.146. Same as House version.

Sec. 13.147. Same as House version.

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covered by both providers' certificates of public convenience and necessity. If the water service provider refuses to enter into a contract under this section or if the water service provider and sewer service provider cannot agree on the terms of a contract, the sewer service provider may petition the commission to issue an order requiring the water service provider to provide that service.

(b) A contract or order under this section must provide procedures and deadlines for submitting billing and customer information to the water service provider and for the delivery of collected fees and payments to the sewer service provider.

(c) A contract or order under this section may require or permit a water service provider that provides consolidated billing and collection of fees and payments to:

(1) terminate the water services of a person whose sewage services account is in arrears for nonpayment; and

(2) charge a customer a reconnection fee if the customer's water service is terminated for nonpayment of the customer's sewage services account.

(d) A water service provider that provides consolidated billing and collection of fees and payments may impose on each sewer service provider customer a reasonable fee to recover costs associated with providing consolidated billing and collection of fees and payments for sewage services.

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No equivalent provision.

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SECTION \_\_. Subchapter F, Chapter 13, Water Code, is amended by adding Section 13.188 to read as follows:

Sec. 13.188. ADJUSTMENT FOR CHANGE IN ENERGY COSTS

(a) Notwithstanding any other provision in this chapter, the commission by rule shall adopt a procedure allowing a utility to file with the commission an application to timely adjust the utility's rates to reflect an increase or decrease in documented energy costs in a pass through clause. The commission, by rule, shall require the pass through of documented decreases in energy costs within a reasonable time. The pass through, whether a decrease or increase, shall be implemented on no later than an annual basis, unless the Commission determines a special circumstance applies.

(b) Notwithstanding any other provision to the contrary, this adjustment is an uncontested matter not subject to a contested case hearing. However, the Executive Director shall hold a non-contested public meeting if:

(1) on the request of a member of the legislature who represents the area served by the water and sewer utility;

(2) if the Executive Director determines that there is substantial public interest in the matter.

(c) A proceeding under this section is not a rate case and Section 13.187 does not apply.

(d) An adjustment for energy costs that results in an increase in rate charges by a water and sewer utility may not take affect if the utility is served by an electric cooperative that is affiliated with the water and sewer utility.

CONFERENCE

SECTION 2.07. Substantially same as House version, except to strike Subsection (d), as follows:

Sec. 13.188. ADJUSTMENT FOR CHANGE IN ENERGY COSTS

(a) Notwithstanding any other provision in this chapter, the commission by rule shall adopt a procedure allowing a utility to file with the commission an application to timely adjust the utility's rates to reflect an increase or decrease in documented energy costs in a pass through clause. The commission, by rule, shall require the pass through of documented decreases in energy costs within a reasonable time. The pass through, whether a decrease or increase, shall be implemented on no later than an annual basis, unless the Commission determines a special circumstance applies.

(b) Notwithstanding any other provision to the contrary, this adjustment is an uncontested matter not subject to a contested case hearing. However, the Executive Director shall hold an uncontested public meeting if:

(1) on the request of a member of the legislature who represents the area served by the water and sewer utility;

(2) if the Executive Director determines that there is substantial public interest in the matter.

(c) A proceeding under this section is not a rate case and Section 13.187 does not apply.

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No equivalent provision.

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SECTION \_\_. Section 13.2451, Water Code, is amended to read as follows:

Sec. 13.2451. EXTENSION BEYOND EXTRATERRITORIAL JURISDICTION. (a) ~~If [Except as provided by Subsection (b), if]~~ a municipality extends its extraterritorial jurisdiction to include an area certificated to a retail public utility, the retail public utility may continue and extend service in its area of public convenience and necessity under the rights granted by its certificate and this chapter.

(b) A municipality that seeks to extend a certificate of public convenience and necessity beyond the municipality's extraterritorial jurisdiction must ensure that the municipality complies with Section 13.241 in relation to the area covered by the portion of the certificate that extends beyond the municipality's extraterritorial jurisdiction.

(c) The commission, after notice to the municipality and an opportunity for a hearing, may decertify an area outside a municipality's extraterritorial jurisdiction if the municipality does not provide service to the area on or before the fifth anniversary of the date the certificate of public convenience and necessity was granted for the area. This subsection does not apply to a certificate of public convenience and necessity for an area:

(1) that was transferred to a municipality on approval of the commission; and

(2) in relation to which the municipality has spent public funds.

(d) To the extent of a conflict between this section and

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SECTION 2.08. Same as House version.

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~~Section 13.245, Section 13.245 prevails. [The commission may not extend a municipality's certificate of public convenience and necessity beyond its extraterritorial jurisdiction without the written consent of the landowner who owns the property in which the certificate is to be extended. The portion of any certificate of public convenience and necessity that extends beyond the extraterritorial jurisdiction of the municipality without the consent of the landowner is void.]~~

No equivalent provision.

SECTION \_\_. Section 13.246(a-1), Water Code, is amended to read as follows:

(a-1) Except as otherwise provided by this subsection, in addition to the notice required by Subsection (a), the commission shall require notice to be mailed to each owner of a tract of land that is at least 25 [50] acres and is wholly or partially included in the area proposed to be certified. Notice required under this subsection must be mailed by first class mail to the owner of the tract according to the most current tax appraisal rolls of the applicable central appraisal district at the time the commission received the application for the certificate or amendment. Good faith efforts to comply with the requirements of this subsection shall be considered adequate notice to landowners. Notice under this subsection is not required for a matter filed with the commission under:

- (1) Section 13.248 or 13.255; or
- (2) Chapter 65.

SECTION 2.09. Same as House version.

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SECTION 2.05. Amends Section 15.102(b), Water Code.	SENATE 2.05. Same as Senate version.	SECTION 2.10. Same as Senate version.
No equivalent provision.	<p>SECTION 2.____. Section 15.703(a), Water Code, is amended to read as follows:</p> <p>(a) The board may take all actions necessary to operate the water bank and to facilitate the transfer of water rights from the water bank for future beneficial use including but not limited to:</p> <p>(1) negotiating a sale price and terms acceptable to the depositor and purchaser;</p> <p>(2) maintaining a registry of water bank deposits and those water users in need of additional supplies;</p> <p>(3) informing water users in need of additional supply of water rights available in the bank;</p> <p>(4) encouraging water right holders to implement water conservation practices and deposit the right to use the conserved water into the bank;</p> <p>(5) establishing requirements for deposit of a water right into the water bank including minimum terms for deposit;</p> <p>(6) purchasing, holding, and transferring water or water rights in its own name;</p> <p>(7) establishing regional water banks;</p> <p>(8) acting as a clearinghouse for water marketing information including water availability, pricing of water transactions, environmental considerations, and potential buyers and sellers of water rights;</p> <p>(9) preparing and publishing a manual on structuring water transactions;</p>	Same as Senate version.



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- (10) accepting, acquiring, and holding donations of water rights to meet instream, water quality, fish and wildlife habitat, or bay and estuary inflow needs;
- (11) entering into contracts with persons to pay for feasibility studies or the preparation of plans and specifications relating to water conservation efforts or to estimate the amount of water that would be saved through conservation efforts; and
- (12) other actions to facilitate water transactions.

No equivalent provision.

SECTION 2. \_\_. Section 15.707, Water Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

- (a) The water bank account is created as a special account in the water assistance fund and is composed of:
  - (1) money appropriated to the board for the program;
  - (2) fees collected by the board under this subchapter;
  - (3) money transferred to the account from the water assistance fund in Section 15.011(c) of this code;
  - (4) grants, contracts, gifts, or other such funds that the board may receive relating to this subchapter;
  - (5) money received from the transfer of water or water rights held in the board's name in the bank;
  - (6) optional fishing license and tag fees donated under Section 46.0046, Parks and Wildlife Code; and
  - (7) ~~[(6)]~~ interest earned on the investment of money in the account.
- (c) The optional fishing license and tag fees donated to the account may be used only to acquire water rights from willing sellers to be held by the Texas Water Trust.

Same as Senate version.

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In the event of a conflict between this section and an appropriations act, this section prevails.

(d) Section 403.095, Government Code, does not apply to the water bank account.

SECTION 2.06. Adds Section 15.9751, Water Code.

No equivalent provision.

SECTION 2.06. Same as Senate version.

SECTION 2.\_\_\_. Section 16.017, Water Code, is amended to read as follows:

Sec. 16.017. TOPOGRAPHIC AND GEOLOGIC MAPPING. (a) The executive administrator shall carry out the program for topographic and geologic mapping of the state.

(b) The executive administrator shall operate as part of the Texas Natural Resources Information System a strategic mapping program to acquire, store, and distribute digital, geospatial information.

No equivalent provision.

SECTION 2.\_\_\_. Subchapter B, Chapter 16, Water Code, is amended by adding Sections 16.023 and 16.024 to read as follows:

Sec. 16.023. STRATEGIC MAPPING ACCOUNT. (a) The strategic mapping account is an account in the general revenue fund. The account consists of:

(1) money directly appropriated to the board;

(2) money transferred by the board from other funds available to the board;

(3) money from gifts or grants from the United States government, state, regional, or local governments, educational institutions, private sources, or other sources;

SECTION 2.11. Same as Senate version.

SECTION 2.12. Same as House version.

SECTION 2.13. Same as House version.

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(4) proceeds from the sale of maps, data, publications, and other items; and  
(5) interest earned on the investment of money in the account and depository interest allocable to the account.  
(b) The account may be appropriated only to the board to:  
(1) develop, administer, and implement the strategic mapping program;  
(2) provide grants to political subdivisions for projects related to the development, use, and dissemination of digital, geospatial information; and  
(3) administer, implement, and operate other programs of the Texas Natural Resources Information System, including:  
(A) the operation of a Texas-Mexico border region information center for the purpose of implementing Section 16.021 (e)(5);  
(B) the acquisition, storage, and distribution of historical maps, photographs, and paper map products;  
(C) the maintenance and enhancement of information technology; and  
(D) the production, storage, and distribution of other digital base maps, as determined by the executive administrator or a state agency that is a member of the Texas Geographic Information Council.  
(c) The board may invest, reinvest, and direct the investment of any available money in the fund as provided by law for the investment of money under Section 404.024, Government Code.  
Sec. 16.024. FINANCIAL ASSISTANCE FOR

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DIGITAL, GEOSPATIAL INFORMATION PROJECTS. (a) A political subdivision seeking a grant under Section 16.023 must file an application with the board.  
(b) An application must be filed in the manner and form required by board rules.  
(c) In reviewing an application by a political subdivision for a grant, the board shall consider:  
(1) the degree to which the political subdivision has used other available resources to finance the development, use, and dissemination of digital, geospatial information;  
(2) the willingness and ability of the political subdivision to develop, use, and disseminate digital, geospatial information; and  
(3) the benefits that will be gained by making the grant.  
(d) The board may approve a grant to a political subdivision only if the board finds that:  
(1) the grant will supplement rather than replace money of the political subdivision;  
(2) the public interest is served by providing the grant; and  
(3) the grant will further the state's ability to gather, develop, use, and disseminate digital, geospatial information.

No equivalent provision.

No equivalent provision.

SECTION \_\_. Amends Section 16.051(g), Water Code, relating to unique value for construction of a reservoir.

No equivalent provision.

SECTION 2.07. Section 16.051, Water Code, is

SECTION 3.01 *[from ARTICLE 3]*. Section 16.051,

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amended by adding Subsections (i), (j), (k), and (l) to read as follows:

(i) A person may not bring a cause of action under Subsection (h) for a violation of Subsection (g) if the state agency or political subdivision that violated Subsection (g) acquired the fee title or easement for the purpose of:

(1) constructing or expanding public utility infrastructure;

(2) allowing an owner of property in the reservoir site to improve or develop the property; or

(3) allowing an owner or lessee of the mineral estate in property in the reservoir site to explore for, produce, or transport the minerals.

(i) The designation under Subsection (g) of a site of unique value for the construction of a reservoir does not affect:

(1) the right of a state agency or political subdivision to acquire the fee title or an easement in property in the reservoir site for the construction or expansion of public utility infrastructure;

(2) the right of an owner of property in the reservoir site to improve or develop the property; or

(3) the right of an owner or lessee of the mineral estate in property in the reservoir site to explore for, produce, or transport the minerals.

(j) A person may not bring a cause of action under Subsection (h) for a violation of Subsection (g) if the political subdivision that violated that subsection acquired the fee title or easement for the purpose of:

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Water Code, is amended by adding Subsection (i) to read as follows:

(i) For purposes of this section, the acquisition of fee title or an easement by a political subdivision for the purpose of providing retail public utility service to property in the reservoir site or allowing an owner of property in the reservoir site to improve or develop the property may not be considered a significant impairment that prevents the construction of a reservoir site under Subsection (g). A fee title or easement acquired under this subsection may not be considered the basis for preventing the future acquisition of land needed to construct a reservoir on a designated site.

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(1) providing retail public utility service, other than water or wastewater service, to property in the reservoir site; or  
(2) allowing an owner of property in the reservoir site to improve or develop the property.  
(k) Notwithstanding Subsection (j), a political subdivision affected by an action described by Subsection (j) may bring a cause of action for a violation of Subsection (g) if the political subdivision has complied with Section 16.143(a).  
(l) the designation under Subsection (g) of a site of unique value for the construction of a reservoir does not affect the requirements of this chapter or Chapter 11 regarding the permitting of or construction of a reservoir on the site.

SECTION 2.07. Subsection (h), Section 16.053, Water Code, is amended by adding Subdivisions (10) and (11) to read as follows:

(10) The regional water planning group may amend the regional water plan after the plan has been approved by the board. Subdivisions (1)-(9) apply to an amendment

SECTION 2.08. Subsection (h), Section 16.053, Water Code, is amended by adding Subdivisions (4-a), (10), and (11) to read as follows:

(4-a) For purposes of this subsection, an interregional conflict includes an inconsistency between the regional water plans proposed by two or more regional water planning groups regarding:  
(A) the construction of a water project in a particular regional water planning area; or  
(B) the use of a source of water supply in a particular regional water planning area.  
(10) The regional water planning group may amend the regional water plan after the plan has been approved by the board. Subdivisions (1)-(9) apply to an amendment

SECTION 2.14. Same as Senate version.

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to the plan in the same manner as those subdivisions apply to the plan.

(11) This subdivision applies only to an amendment to a regional water plan approved by the board. This subdivision does not apply to the adoption of a subsequent regional water plan for submission to the board as required by Subsection (i). Notwithstanding Subdivision (10), the regional water planning group may amend the plan in the manner provided by this subdivision if the executive administrator determines that the amendment qualifies for adoption in the manner provided by this subdivision before the regional water planning group votes on adoption of the amendment. An amendment qualifies for adoption in the manner provided by this subdivision only if the amendment will not result in the overallocation of any existing or planned source of water, does not relate to a new reservoir, and will not have a significant effect on instream flows or freshwater inflows to bays and estuaries. If the executive administrator determines that an amendment qualifies for adoption in the manner provided by this subdivision, the regional water planning group may adopt the amendment at a public meeting held in accordance with Chapter 551, Government Code. The amendment must be placed on the agenda for the meeting, and notice of the meeting must be given in the manner provided by Chapter 551, Government Code, at least two weeks before the date the meeting is held. The public must be provided an opportunity to comment on the amendment at the meeting.

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to the plan in the same manner as those subdivisions apply to the plan.

(11) This subdivision applies only to an amendment to a regional water plan approved by the board. This subdivision does not apply to the adoption of a subsequent regional water plan for submission to the board as required by Subsection (i). Notwithstanding Subdivision (10), the regional water planning group may amend the plan in the manner provided by this subdivision if the executive administrator makes a written determination that the proposed amendment qualifies for adoption in the manner provided by this subdivision before the regional water planning group votes on adoption of the amendment. A proposed amendment qualifies for adoption in the manner provided by this subdivision only if the amendment is a minor amendment, as defined by board rules, that will not result in the overallocation of any existing or planned source of water, does not relate to a new reservoir, and will not have a significant effect on instream flows or freshwater inflows to bays and estuaries. If the executive administrator determines that a proposed amendment qualifies for adoption in the manner provided by this subdivision, the regional water planning group may adopt the amendment at a public meeting held in accordance with Chapter 551, Government Code. The proposed amendment must be placed on the agenda for the meeting, and notice of the meeting must be given in the manner provided by Chapter 551, Government Code, at least two weeks before the date the meeting is held.

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The public must be provided an opportunity to comment on the proposed amendment at the meeting.

SECTION 2.08. Amends Section 16.053(r), Water Code.

SECTION 2.09. Same as Senate version.

SECTION 2.15. Same as Senate version.

No equivalent provision.

SECTION 2. \_\_. (a) Notwithstanding Section 16.053(i), Water Code, and except as otherwise provided by this section, the Texas Water Development Board may approve and include in the state water plan for the five-year period beginning January 5, 2007, the regional water plan that was submitted to the board by the Region L regional water planning group.

(b) The Texas Water Development Board may approve the regional water plan for Region L only if the board:

(1) strikes Sections 4C.7, 4C.8, and 4C.32 from the plan as submitted to the board; and

(2) includes Section 4C.33 in the plan as the Lower Guadalupe Water Supply Project for Upstream GBRA Needs so as to:

(A) require that the project be developed by the regional water planning group for Region L in association with the Guadalupe-Blanco River Authority;

(B) include a transmission pipeline for the diversion of up to 60,000 acre-feet per year of surface water available under the water rights held by the Guadalupe-Blanco River Authority as of December 31, 2006, from the Guadalupe River below the city of Victoria to upstream points on the river to meet needs identified by the Region L regional water planning group; provided, however, that

Same as Senate version.



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at least 100,000 acre-feet per year of the surface water must be reserved for lower basin needs;

(C) prohibit the use of fresh groundwater for the project;

(D) require the consent of the appropriate property owner before off-channel storage or an off-channel reservoir may be developed as part of the project; and

(E) require freshwater inflows in an amount sufficient to meet the Parks and Wildlife Department, Texas Commission on Environmental Quality, and Texas Water Development Board's environmental consensus criteria for San Antonio Bay to be identified and included in the project.

(c) The Texas Water Development Board shall amend the state water plan for the five-year period beginning January 5, 2007, as necessary to conform to the requirements of this section.

(d) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect September 1, 2007.

SECTION 2.09. Adds Section 16.1311, Water Code.

No equivalent provision.

SECTION 2.10. Same as Senate version.

SECTION 2.11. Sections 16.315 and 16.319, Water Code, are amended to read as follows:

Sec. 16.315. POLITICAL SUBDIVISIONS;  
COMPLIANCE WITH FEDERAL REQUIREMENTS.  
All political subdivisions are hereby authorized to take

SECTION 2.16. Same as Senate version.

SECTION 2.17. Same as House version.

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all necessary and reasonable actions that are not less stringent than ~~[to comply with]~~ the requirements and criteria of the National Flood Insurance Program, including but not limited to:

- (1) making appropriate land use adjustments to constrict the development of land which is exposed to flood damage and minimize damage caused by flood losses;
- (2) guiding the development of proposed future construction, where practicable, away from a location which is threatened by flood hazards;
- (3) assisting in minimizing damage caused by floods;
- (4) authorizing and engaging in continuing studies of flood hazards in order to facilitate a constant reappraisal of the flood insurance program and its effect on land use requirements;
- (5) engaging in floodplain management, ~~[and]~~ adopting and enforcing permanent land use and control measures that are not less stringent than those ~~[consistent with the criteria]~~ established under the National Flood Insurance Act, and providing for the imposition of penalties on landowners who violate this subchapter or rules adopted or orders issued under this subchapter;
- (6) declaring property, when such is the case, to be in violation of local laws, regulations, or ordinances which are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas and notifying the director, or whomever the director designates, of such property;
- (7) consulting with, giving information to, and entering into agreements with the Federal Emergency

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Management Agency for the purpose of:

(A) identifying and publishing information with respect to all flood areas, including coastal areas; and

(B) establishing flood-risk zones in all such areas and making estimates with respect to the rates of probable flood-caused loss for the various flood-risk zones for each of these areas;

(8) cooperating with the director's studies and investigations with respect to the adequacy of local measures in flood-prone areas as to land management and use, flood control, flood zoning, and flood damage prevention;

(9) taking steps, using regional, watershed, and multi-objective approaches, to improve the long-range management and use of flood-prone areas;

(10) purchasing, leasing, and receiving property from the director when such property is owned by the federal government and lies within the boundaries of the political subdivision pursuant to agreements with the Federal Emergency Management Agency or other appropriate legal representative of the United States Government;

(11) requesting aid pursuant to the entire authorization from the commission;

(12) satisfying criteria adopted and promulgated by the commission pursuant to the National Flood Insurance Program;

(13) adopting permanent land use and control measures with enforcement provisions that are not less stringent than ~~[which are consistent with]~~ the criteria for land

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management and use adopted by the director;

(14) adopting more comprehensive floodplain management rules that the political subdivision determines are necessary for planning and appropriate to protect public health and safety;

(15) participating in floodplain management and mitigation initiatives such as the National Flood Insurance Program's Community Rating System, Project Impact, or other initiatives developed by federal, state, or local government; and

(16) collecting reasonable fees to cover the cost of administering a local floodplain management program.

Sec. 16.319. QUALIFICATION. Political subdivisions wishing to qualify under the National Flood Insurance Program shall have the authority to do so by complying with the directions of the Federal Emergency Management Agency and by:

(1) evidencing to the director a positive interest in securing flood insurance coverage under the National Flood Insurance Program; and

(2) giving to the director satisfactory assurance that measures will have been adopted for the political subdivision that ~~[which measures]~~ will be not less stringent than ~~[consistent with]~~ the comprehensive criteria for land management and use developed by the Federal Emergency Management Agency.

No equivalent provision.

SECTION 2.\_\_\_\_. The change in law made by this article to Section 16.315, Water Code, takes effect September 1, 2007, but only if Article 4 of this Act does not take

Same as Senate version.

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	effect.	
SECTION 2.10. Adds Subchapter K, Chapter 16, Water Code.	SECTION 2.12. Same as Senate version.	SECTION 2.18. Same as Senate version.
SECTION 2.11. Adds Section 17.125(b-2), Water Code.	SECTION 2.13. Same as Senate version.	SECTION 2.19. Same as Senate version.
SECTION 2.12. Adds Section 35.020, Water Code.	SECTION 2.14. Same as Senate version.	SECTION 2.20. Same as Senate version.
No equivalent provision.	SECTION 2.___. Section 36.111, Water Code, is amended to read as follows: Sec. 36.111. RECORDS AND REPORTS. (a) The district <u>may</u> [shall] require that records be kept and reports be made of the drilling, equipping, and completing of water wells and of the production and use of groundwater. <u>(b) In implementing Subsection (a), a district may adopt rules that require an owner or operator of a water well that is required to be registered with or permitted by the district, except for the owner or operator of a well that is exempt from permit requirements under Section 36.117(b)(1), to report groundwater withdrawals using reasonable and appropriate reporting methods and frequency.</u>	Same as Senate version.
No equivalent provision.	SECTION 2.___. Section 36.113(d), Water Code, is amended to read as follows: (d) Before granting or denying a permit or permit amendment, the district shall consider whether: (1) the application conforms to the requirements	SECTION 2.21. Same as House version, except as follows (omits language highlighted in second column); (d) Before granting or denying a permit or permit amendment, the district shall consider whether: (1) the application conforms to the requirements

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prescribed by this chapter and is accompanied by the prescribed fees;

(2) the proposed use of water unreasonably affects existing groundwater and surface water resources or existing permit holders;

(3) the proposed use of water is dedicated to any beneficial use;

(4) the proposed use of water is consistent with the district's certified water management plan;

(5) if the well will be located in a priority groundwater management area, including the Hill Country Priority Groundwater Management Area, or in a county contiguous to the priority groundwater management area, the proposed use of water from the well is wholly or partly to provide water to a pond, lake, or reservoir to enhance the appearance of the landscape;

(6) the applicant has agreed to avoid waste and achieve water conservation; and

(7) [(6)] the applicant has agreed that reasonable diligence will be used to protect groundwater quality and that the applicant will follow well plugging guidelines at the time of well closure.

prescribed by this chapter and is accompanied by the prescribed fees;

(2) the proposed use of water unreasonably affects existing groundwater and surface water resources or existing permit holders;

(3) the proposed use of water is dedicated to any beneficial use;

(4) the proposed use of water is consistent with the district's certified water management plan;

(5) if the well will be located in the Hill Country Priority Groundwater Management Area, the proposed use of water from the well is wholly or partly to provide water to a pond, lake, or reservoir to enhance the appearance of the landscape;

(6) the applicant has agreed to avoid waste and achieve water conservation; and

(7) [(6)] the applicant has agreed that reasonable diligence will be used to protect groundwater quality and that the applicant will follow well plugging guidelines at the time of well closure.

No equivalent provision.

SECTION 2.\_\_. Section 36.117, Water Code, is amended by adding Subsection (b-1) to read as follows:  
(b-1) A water well exempt from permitting under Subsection (b)(2) is not exempt from other district rules.

Same as Senate version.

No equivalent provision.

SECTION 2.\_\_. Section 36.117(d), Water Code, is

SECTION 2.22. Same as House version.

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amended to read as follows:

(d) Notwithstanding Subsection (b), a district may require a well to be permitted by the district and to comply with all district rules if:

(1) the withdrawals from a well in the Hill Country Priority Groundwater Management Area and exempted under Subsection (b)(1) are no longer used solely for domestic use or to provide water for livestock or poultry;

(2) the purpose of a well exempted under Subsection (b)(2) is no longer solely to supply water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas; or

(3) [(2)] the withdrawals from a well exempted under Subsection (b)(3) are no longer necessary for mining activities or are greater than the amount necessary for mining activities specified in the permit issued by the Railroad Commission of Texas under Chapter 134, Natural Resources Code.

No equivalent provision.

SECTION 2. \_\_. Sections 36.122(d) and (i), Water Code, are amended to read as follows:

(d) The district may impose a reasonable fee for processing an application under this section. ~~[The fee may not exceed fees that the district imposes for processing other applications under Section 36.113.]~~ An application filed to comply with this section shall be considered and processed under the same procedures as other applications for permits under Section 36.113 and shall be combined with applications filed to obtain a

Same as Senate version.

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permit for in-district water use under Section 36.113 from the same applicant.

(i) The period specified by Subsection (h)(2) shall be[:  
~~(1) at least three years [if construction of a conveyance system has not been initiated prior to the issuance of the permit; or~~  
~~(2) at least 30 years if construction of a conveyance system has been initiated prior to the issuance of the permit].~~

No equivalent provision.

SECTION 2. \_\_. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.2205 to read as follows:

Sec. 49.2205. USE OF RIGHT-OF-WAY EASEMENTS FOR CERTAIN ENERGY-RELATED PURPOSES. (a) To foster the generation and transmission of electricity from clean coal projects, as defined by Section 5.001, renewable energy technology projects, and the capture and storage of carbon dioxide and other greenhouse gases, a district or water supply corporation may allow others to construct, maintain, and operate transmission lines and pipelines over, under, across, on, or along rights-of-way and easements of the district or water supply corporation for transmission of electricity generated by those projects and the transportation of carbon dioxide and other greenhouse gases, unless the use:  
(1) is incompatible with the public use for which the easement was acquired or condemned; or  
(2) compromises public health or safety.

SECTION 2.23. Same as House version.



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(b) The district or water supply corporation is not required to obtain additional consideration for the construction, maintenance, and operation of the transmission lines and pipelines under this section if the person constructing, maintaining, and operating the transmission lines and pipelines bears all costs of the construction, maintenance, and operation of the transmission lines and pipelines and restoring the property. The activities authorized by this subsection may be exercised only with the consent of and subject to the direction of the governing body of the district or water supply corporation.

(c) A person that is subject to Subsection (a) that acquires a right-of-way easement on real property for a public use may include in the notice of the acquisition a statement that to foster the generation and transmission of electricity from clean coal projects as defined by Section 5.001, Water Code, renewable energy technology projects, and the capture and storage of carbon dioxide and other greenhouse gases, water districts and water supply corporations may allow others to construct, maintain, and operate transmission lines and pipelines over, under, across, on, or along the rights-of-way and easements for the transmission of electricity that is generated by those projects and transportation of carbon dioxide and other greenhouse gases, unless the use:

- (1) is incompatible with the public use for which the easement was acquired or condemned; or
- (2) compromises public health or safety.

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No equivalent provision.

(d) This section applies only to a right-of-way or easement acquired by the district or water supply corporation on or after September 1, 2007.

(e) This section does not apply to a right-of-way or easement that is used for the transmission of electricity without the consent of a person owning the transmission lines if that use began before September 1, 2007.

SECTION 2.\_\_\_\_. (a) Chapter 49, Water Code, is amended by adding Subchapter O to read as follows:

SUBCHAPTER O. EFFECT OF SUBDIVISION OF NONAGRICULTURAL LAND ON WATER RIGHTS

Sec. 49.501. DEFINITION. In this subchapter, "municipal water supplier" means a municipality or a water supply corporation.

Sec. 49.502. APPLICABILITY. This subchapter applies only to a district, other than a drainage district, located wholly or partly in a county:

(1) that borders the Gulf of Mexico and the United Mexican States; or

(2) that is adjacent to a county described by Subdivision (1).

Sec. 49.503. PETITION BY MUNICIPAL WATER SUPPLIER TO CONVERT WATER USE AFTER SUBDIVISION. (a) This section applies only to land:

(1) that is:

(A) Subdivided into town lots or blocks or small parcels of the same general nature as town lots or blocks;

(B) designed, intended, or suitable for residential or other nonagricultural purposes, including streets, alleys,

SECTION 2.24. Same as House version, except strikes subsection (b) of this SECTION. However, SECTION 2.41 contains a substantially same provision, as shown below.

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parkways, parks, detention or retention ponds, and railroad property and rights-of-way; or  
(C) in a subdivision created to meet the requirements of a governmental entity authorized to require a recorded plat of subdivided lands;  
(2) that is in a subdivision for which a plat or map has been filed and recorded in the office of the county clerk of each county in which the subdivision is wholly or partly located; and  
(3) that is or was assessed as flat rate irrigable property in the municipal water supplier's certificated service area or its corporate area.  
(b) A municipal water supplier that serves land described by Subsection (a) may petition the district in accordance with this section to convert the proportionate irrigation water right to the Rio Grande from irrigation use to municipal use with municipal priority of allocation under commission rules, for the use and benefit of the municipal supplier.  
(c) The municipal water supplier must file the petition with the district not later than January 1 after the expiration of two years after the date the plat or map was recorded under Subsection (a). The district shall consider the petition not later than January 31 of the year following the year in which the petition was filed.  
(d) The petition must identify by subdivision name or other sufficient description the land that the municipal water supplier supplies or has the right to supply potable water.  
(e) This section applies only to one subdivision of the

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land recorded under Subsection (a). This section does not apply to any further subdivision of the same property.

Sec. 49.504. EFFECT OF MUNICIPAL WATER SUPPLIER'S FAILURE TO FILE A PETITION. (a) If a municipal water supplier does not file a petition under Section 49.503, the district may retain the water rights for use by the district or may declare the water as excess and contract for the sale or use of the water as determined by the district.

(b) Before a district may contract for the sale or use of water for more than one year with a purchaser located outside of a county described by Section 49.502, the district must, for 90 days:

(1) make the water available under the same terms to all municipal water suppliers located in those counties; and  
(2) advertise the offer to sell or contract for the use of the water by posting notice on:

(A) any website of the Rio Grande Watermaster's Office;

(B) any website of the Rio Grande Regional Water Authority; and

(A)(C) the official posting place for the district's board meetings at the district's office.

(c) If, after the 90th day after the last date on which the district posted notice, a municipal water supplier in a county described by Section 49.502 has not contracted with the district for the sale or use of the water, the district may contract with any other person for the sale or use of the water under the terms of the offer advertised

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under Subsection (b).

Sec. 49.505. CALCULATION OF PROPORTIONATE WATER RIGHTS. A district that receives a petition under Section 49.503 shall compute the proportionate amount of water rights to the Rio Grande. The proportionate amount of water rights is equal to the amount of irrigable acres of land in the subdivision multiplied by the lesser of:

(1) 1.25 acre-feet per irrigable acre; or

(2) the sum of all irrigation water rights owned by the district on September 1, 2007, as if the water rights had been converted to municipal use under applicable commission rules, divided by the total amount of irrigable acres of land in the district on September 1, 2007.

Sec. 49.506. PROVISION OR CONVERSION OF PROPORTIONATE WATER RIGHTS BY DISTRICT.

(a) Not later than the second anniversary of the date the municipal water supplier files a petition under Section 49.503:

(1) a district shall provide the municipal water supplier with the proportionate water rights described by Section 49.505 from the district's existing water rights; or

(2) a district shall, if the district does not have sufficient existing water rights:

(A) apply for appropriate amendments to the district's water rights under commission rules to convert the proportionate water rights from irrigation use to municipal use with municipal priority of allocation; and

(B) provide to the municipal water supplier the

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converted rights described by Section 49.505.

(b) The district may continue to use the irrigation use water for district purposes until:

(1) the commission approves the amendment to the district's water rights; or

(2) the water is otherwise provided to the municipal water supplier.

(c) A district that applies for appropriate amendments under Subsection (a)(2) shall provide the municipal water supplier with an estimate of the district's reasonable costs for the administrative proceedings. The district is not required to begin the proceedings until the municipal water supplier deposits the amount of the estimate with the district. The municipal water supplier shall pay the district any reasonable costs that exceed the estimate. The district shall refund the balance of the deposit if the actual cost is less than the estimate.

Sec. 49.507. CONTRACT TO PURCHASE PROPORTIONATE WATER RIGHTS; WATER RIGHTS SALE CONTRACT. (a) A municipal water supplier may contract to purchase the proportionate water rights described by Section 49.505.

(b) The purchase price may not exceed 68 percent of the current market value, as determined under Section 49.509, for the year that the municipal water supplier petitions the district.

(c) The contract must be in writing in a document entitled "Water Rights Sales Contract."

(d) The contract must include the purchase price for the water rights or, if the consideration for the sale is not

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monetary, the terms of the sale.

(e) The municipal water supplier shall file the contract with the Rio Grande watermaster not later than the 10th day after the date the contract is executed.

(b)(f) The municipal water supplier shall pay the purchase price when the proportionate amount of water rights is made available to the municipal water supplier.

Sec. 49.508. CONTRACT TO USE PROPORTIONATE WATER RIGHTS; WATER SUPPLY CONTRACT. (a) A municipal water supplier may contract to use water associated with the proportionate water rights described by Section 49.505.

(b)The contract must be for at least 40 years.

(c) The price for the contractual right to use the municipal use water is based on an amount for one acre-foot of municipal use water with a municipal use priority of allocation and may not exceed the sum of:

(1) an amount equal to the district's annual flat rate charge per assessed acre; and

(2) the equivalent of the charge for four irrigations per flat rate acre of irrigable property in the district.

(d)The parties to the contract shall agree on the terms of payment of the contract price.

(e)The board periodically shall determine the flat rate charge and irrigation per acre charge described by Subsection (c).

(f)The contract must be in writing in a document entitled "Water Supply Contract." The contract may contain any terms to which the parties agree.

(g)The municipal water supplier shall file the contract

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with the Rio Grande watermaster not later than the 10th day after the date the contract is executed.

Sec. 49.509. DUTY OF RIO GRANDE REGIONAL WATER AUTHORITY TO CALCULATE CURRENT MARKET VALUE. (a) The Rio Grand Regional Water Authority annually at its January meeting shall calculate the current market value by using the average price per acre-foot of municipal use water after conversion from irrigation use water to municipal use water with a municipal priority of allocation under commission rules of the last three purchases involving:

- (1) a municipal water supplier;
- (2) a party other than a municipal water supplier; and
- (3) at least 100 acre-feet of municipal use water, with municipal priority of allocation;

(b) The Rio Grande Regional Water Authority shall use information from the water rights sales contracts reported to the Rio Grande Watermaster's Office to calculate the current market value.

(c) The Rio Grande Regional Water Authority shall make the calculation:

- (1) without charging any of the parties involved; and
- (2) using 100 percent of the value of monetary exchanges, not in-kind exchanges.

Sec. 49.510. ACCOUNTING FOR SALE OF WATER RIGHTS. A district shall maintain an accounting of money received from the sale of water rights under this subchapter.

Sec. 49.511. CAPITAL IMPROVEMENTS. A district shall designate at least 75 percent of the proceeds from



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the sale of water rights for capital improvements in the district.

Sec. 49.512. MAP OF SERVICE AREA. (a) In this section, "outer boundaries of a district" means district boundaries without considering any exclusion of land from inside the district.

(b) Each municipal water supplier that has a certificate of convenience and necessity service area in the outer boundaries of a district shall file a map of the service area with the district.

(c) The municipal water supplier shall update the map and forward the map to the district when changes are made.

(d) A district periodically shall provide to a municipal water supplier that serves territory in the district a copy of the district's map showing the outer boundaries of the district.

(e) A district may request from a municipal water supplier a map of the municipal suppliers's service area, and a municipal water supplier may request from the district a map of the district's outer boundaries. On request, the district and a municipal water supplier shall provide the map free of charge to each other at least one time each year. If the district or municipal water supplier receives more than one request a year for a map, the district or municipal water supplier may charge a reasonable fee for the map.

(b) The change in law made by this section applies only to a subdivision for which a plat or map has been

SECTION 2.41. The change in law made by Subchapter O, Chapter 49, Water Code, as added by this Act, applies

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recorded in the office of the county clerk of a county on or after the effective date of this Act. A subdivision for which a plat or map was recorded before the effective date of this Act is covered by the law in effect on the date the plat or map was recorded, and the former law is continued in effect for that purpose.

only to a subdivision for which a plat or map has been recorded in the office of the county clerk of a county on or after the effective date of this Act. A subdivision for which a plat or map was recorded before the effective date of this Act is covered by the law in effect on the date the plat or map was recorded, and the former law is continued in effect for that purpose.

No equivalent provision.

SECTION 2.\_\_\_. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.969 to read as follows:

Sec. 51.969. ON-SITE RECLAIMED SYSTEM TECHNOLOGIES CURRICULUM. The Texas Higher Education Coordinating Board shall encourage each institution of higher education to develop curriculum and provide related instruction regarding on-site reclaimed system technologies, including rainwater harvesting, condensate collection, or cooling tower blow down.

SECTION 2.25. Same as House version.

No equivalent provision.

SECTION 2.\_\_\_. Chapter 68, Education Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. POWERS AND DUTIES OF BOARD

Sec. 68.21. SUSTAINABLE WATER SUPPLY RESEARCH CENTER. (a) In this section, "center" means the Sustainable Water Supply Research Center.

(b) The board may establish and operate the Sustainable Water Supply Research Center as part of The University of Texas at Arlington.

(c) If established, the center shall:

SECTION 2.26. Same as House version.

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(1) conduct, sponsor, or direct multidisciplinary research directed toward:

(A) promoting water conservation through development of a sustainable water supply for this state; and

(B) mitigating the effect of diminishing water supplies on the economy and people of this state; and

(2) conduct a comprehensive, interdisciplinary instructional program in water conservation with emphasis on development of a sustainable water supply at the graduate level and offer undergraduate courses for students interested in water conservation and sustainable water supply development.

(d) The organization, control, and management of the center are vested in the board.

(e) The center may enter into an agreement or may cooperate with a public or private entity to perform the research functions of the center.

(f) The board may solicit, accept, and administer gifts and grants from any public or private source for the use and benefit of the center.

No equivalent provision.

SECTION 2. \_\_. Section 447.004, Government Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) The procedural standards adopted under this section must require that on-site reclaimed system technologies, including rainwater harvesting, condensate collection, or cooling tower blow down, or a combination of those system technologies, for nonpotable indoor use and landscape watering be incorporated into the design and construction of:

SECTION 2.27. Same as House version.

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No equivalent provision.

- (1) each new state building with a roof measuring at least 10,000 square feet; and
- (2) any other new state building for which the incorporation of such systems is feasible.

SECTION 2.\_\_\_\_. Section 341.042, Health and Safety Code, is amended to read as follows:

Sec. 341.042. STANDARDS FOR HARVESTED RAINWATER. (a) The commission shall establish recommended standards relating to the domestic use of harvested rainwater, including health and safety standards for treatment and collection methods for harvested rainwater intended for drinking, cooking, or bathing.

(b) The commission by rule shall provide that if a structure is connected to a public water supply system and has a rainwater harvesting system for indoor use:

(1) the structure must have appropriate cross-connection safeguards; and

(2) the rainwater harvesting system may be used only for nonpotable indoor purposes.

(c) Standards and rules adopted by the commission under this chapter governing public drinking water supply systems do not apply to a person:

(1) who harvests rainwater for domestic use; and

(2) whose property is not connected to a public drinking water supply system.

No equivalent provision.

SECTION 2.\_\_\_\_. Subchapter D, Chapter 43, Local Government Code, is amended by adding Section

SECTION 2.28. Same as House version.

Same as Senate version.

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43.0741 to read as follows:

Sec. 43.0741. ABOLITION OF CERTAIN WATER CONTROL AND IMPROVEMENT, WATER IMPROVEMENT, AND IRRIGATION DISTRICTS THAT DELIVER RAW WATER TO MUNICIPALITIES. (a) This section applies only to:  
(1) a water control and improvement, water improvement, or irrigation district:  
(A) at least 60 percent of the territory of which is located in a single municipality as a result of annexation or incorporation;  
(B) that diverts raw water from the Rio Grande and in a 12-month period delivers at least 80 percent of that raw water to the municipality for municipal use; and  
(C) that has no outstanding bonded indebtedness; and  
(2) a municipality that receives raw water from a district described by Subdivision (1).  
(b) A municipality may adopt an ordinance abolishing a district by a vote of at least two-thirds of the membership of the municipality's governing body if the governing body determines that:  
(1) at least 80 percent of the raw water diverted by the district in any 12-month period was for municipal use by the municipality;  
(2) the district has no outstanding bonded indebtedness;  
(3) the services furnished and functions performed by the district can be furnished and performed by the municipality; and  
(4) the abolition of the district is in the best interests of the residents and property of the municipality and the

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district.

(c) The voters of the municipality may protest the enactment or enforcement of the ordinance by filing a petition with the secretary of the municipality. The petition must be signed by a number of qualified voters of the municipality that is equal to at least 10 percent of the number of voters who voted in the most recent election for municipal officers. The petition must be filed not later than the 30th day after the later of:

(1) the date the municipality finally approves the ordinance; or

(2) the date of publication of the ordinance, if the ordinance is published before it is scheduled to take effect.

(d) The secretary shall verify the signatures on a petition filed in accordance with Subsection (c) and present the verified petition to the governing body of the municipality at its next scheduled meeting.

(e) On receipt of a verified petition, the governing body of the municipality shall suspend the ordinance, and the municipality may not take an action under the ordinance.

(f) The governing body of the municipality shall reconsider the suspended ordinance at its next meeting. If the governing body does not repeal the ordinance, the governing body shall submit a proposition for or against the ordinance to the voters at the next municipal election or at a special election the governing body may order for that purpose. The ordinance does not take effect unless a majority of the voters voting in the election vote for the ordinance.

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(g) The ordinance takes effect on:  
(1) the expiration of the period for filing a petition under Subsection (c) if the voters of the municipality do not file a petition that meets the requirements of that subsection before the expiration of that period; or  
(2) the approval of the ordinance at an election under Subsection (f).  
(h) If the ordinance takes effect:  
(1) the district is abolished;  
(2) the property and other assets of the district vest in the municipality;  
(3) the municipality becomes responsible for operating the district's facilities for the benefit of the district's existing customers and performing the services and functions that were performed by the district; and  
(4) the municipality assumes all the debts, liabilities, and obligations of the district.  
(i) A district that is abolished under this section shall provide its management and operational records to the municipality to ensure the orderly transfer of management and operational responsibility to the municipality.  
(j) This section does not apply to a district located in a county that:  
(1) has a population of 600,000 or more;  
(2) borders the United Mexican States; and  
(3) has a municipality with a population of 500,000 or more.

SECTION 2.13. Amends Section 212.0101(b), Local

SECTION 2.15. Same as Senate version.

SECTION 2.29. Same as Senate version.

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Government Code.		
SECTION 2.14. Amends Section 232.0032(b), Local Government Code.	SECTION 2.16. Same as Senate version.	SECTION 2.30. Same as Senate version.
No equivalent provision.	<p>SECTION 2.__. Chapter 401, Local Government Code, is amended by adding Section 401.006 to read as follows:</p> <p><u>Sec. 401.006. WATER CONSERVATION BY HOME-RULE MUNICIPALITY. A home-rule municipality may adopt and enforce ordinances requiring water conservation in the municipality and by customers of the municipality's municipally owned water and sewer utility in the extraterritorial jurisdiction of the municipality.</u></p> <p>SECTION __. Subchapter Z, Chapter 402, Local Government Code, is amended by adding Section 402.911 to read as follows:</p> <p><u>Sec. 402.911. DUTIES OF WATER SERVICE PROVIDER TO AN AREA SERVED BY SEWER SERVICE OF CERTAIN POLITICAL SUBDIVISIONS. (a) This section applies only to an area:</u></p> <p><u>(1) that is located in a county that has a population of more than 1.3 million ; and</u></p> <p><u>(2) in which a customer's sewer service is provided by a municipality or conservation and reclamation district that also provides water service to other customers and the same customer's water service is provided by another entity.</u></p>	<p>SECTION 2.31. Same as House version.</p> <p>SECTION 2.32. Same as House version.</p>



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(b) For each person the water service provider serves in an area to which this section applies, the water service provider shall provide the municipality or district with any relevant customer information so that the municipality or district may bill users of the sewer service directly and verify the water consumption of users. Relevant customer information provided under this section includes the name, address, and telephone number of the customer of the water service provider, the monthly meter readings of the customer, monthly consumption information, including any billing adjustments, and certain meter information, such as brand, model, age, and location.

(c) The municipality or district shall reimburse the water service provider for its reasonable and actual incremental costs for providing services to the municipality or district under this section. Incremental costs are limited to only those costs that are in addition to the water service provider's costs in providing its services to its customers, and those costs must be consistent with the costs incurred by other water utility providers. Only if requested by the wastewater provider, the water service provider must provide the municipality or district with documentation certified by a certified public accountant of the reasonable and actual incremental costs for providing services to the municipality or district under this section.

(d) A municipality or conservation and reclamation district may provide written notice to a person to whom the municipality's or district's sewer service system

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provides service if the person has failed to pay for the service for more than 90 days. The notice must state the past due amount owed and the deadline by which the past due amount must be paid or the person will lose water service. The notice may be sent by mail or hand-delivered to the location at which the sewer service is provided.

(e) The municipality or district may notify the water service provider of a person who fails to make timely payment after the person receives notice under Subsection (b). The notice must indicate the number of days the person has failed to pay for sewer service and the total amount past due. On receipt of the notice, the water service provider shall discontinue water service to the person.

(f) This section does not apply to a nonprofit water supply or sewer service corporation created under Chapter 67, Water Code, or a district created under Chapter 65, Water Code.

No equivalent provision.

SECTION \_\_. Section 430.003, Local Government Code, is amended to read as follows:  
Sec. 430.003. EXEMPTIONS OF CERTAIN ~~[STATE]~~ PROPERTY FROM NFRASTRUCTURE FEES. No county, municipality, or utility district may collect from a state agency or a public or private institution of higher education any fee charged for the development or maintenance of programs or ~~[of]~~ facilities for the control of excess water or storm water.

SECTION 2.33. Same as House version.

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No equivalent provision.

SECTION 2. \_\_. Section 1903.053, Occupations Code, is amended to read as follows:  
Sec. 1903.053. STANDARDS. (a) The commission shall adopt by rule and enforce standards governing:  
(1) the connection of irrigation systems to any water supply;  
(2) the design, installation, and operation of irrigation systems;  
(3) water conservation; and  
(4) the duties and responsibilities of licensed irrigators.  
(b) ~~[The commission may adopt standards for irrigation that include water conservation, irrigation system design and installation, and compliance with municipal codes.~~  
[~~e~~] The commission may not require or prohibit the use of any irrigation system, component part, or equipment of any particular brand or manufacturer.  
(c) In adopting standards under this section, the commission shall consult the council.

SECTION 2.34. Same as House version.

No equivalent provision.

SECTION 2. \_\_. Subchapter A, Chapter 46, Parks and Wildlife Code, is amended by adding Section 46.0046 to read as follows:  
Sec. 46.0046. OPTIONAL FEE FOR BENEFIT OF TEXAS WATER TRUST. (a) A person to whom a license or tag is issued under this chapter may pay an optional fee for the benefit of the Texas Water Trust established by Section 15.7031, Water Code, at the time the person pays the fees required before the license or tag is issued.

Same as Senate version.

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- (b) The minimum amount for the optional fee is \$5. A person may pay more than the minimum amount.
- (c) The department shall adopt a form for the fee that provides:
- (1) spaces for a person to indicate the amount of the optional fee the person desires to pay, with spaces for the amounts of \$5, \$10, or "other amount"; and
- (2) a short explanation of the purpose of the optional fee.
- (d) The optional fee shall be deposited in the general revenue fund to the credit of the water bank account.

No equivalent provision.

SECTION 2.17. (a) In this section, "board" means the Texas Water Development Board.

(b) The board, in coordination with the Far West Texas Regional Water Planning Group established pursuant to Section 16.053, Water Code, shall conduct a study regarding the possible impact of climate change on surface water supplies from the Rio Grande.

(c) In conducting the study, the board shall convene a conference within the Far West Texas regional water planning area designated pursuant to Section 16.053, Water Code, to review:

(1) any analysis conducted by a state located to the west of this state regarding the impact of climate change on surface water supplies in that state;

(2) any other current analysis of potential impacts of climate change on surface water resources; and

(3) recommendations for incorporation of potential impacts of climate change into the Far West Texas

SECTION 2.35. Same as House version.

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Regional Water Plan, including potential impacts to the Rio Grande in Texas subject to the Rio Grande Compact and identification of feasible water management strategies to offset any potential impacts.

(d) The conference should include, but not be limited to, the participation of representatives of:

- (1) the Far West Texas Regional Water Planning Group;
- (2) water authorities;
- (3) industrial customers;
- (4) agricultural interests;
- (5) municipalities;
- (6) fishing or recreational interests;
- (7) environmental advocacy organizations; and
- (8) institutions of higher education.

(e) Not later than December 31, 2008, the board shall submit to the legislature a written report regarding the study findings under this section.

SECTION 2.15. (a) Repeals Chapter 9, Water Code.  
(b) Abolishes the Texas Water Advisory Council on the effective date of ARTICLE 2.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 2.18. Same as Senate version.

SECTION 2.\_\_\_. Section 36.122(c), Water Code, is repealed.

SECTION \_\_\_. Repeals Chapter 64, Water Code.

SECTION 2.\_\_\_. As soon as practicable on or after the effective date of this article, the Texas Water Development Board shall appoint the initial members of

SECTION 2.36. Same as Senate version.

Same as Senate version.

SECTION 2.37. Same as House version.

SECTION 2.38. Same as House version.

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the Water Conservation Advisory Council, as required by Section 10.003, Water Code, as added by this article. In making the initial appointments, the board shall designate seven members to serve terms expiring August 31, 2009, eight members to serve terms expiring August 31, 2011, and eight members to serve terms expiring August 31, 2013.

No equivalent provision.

SECTION \_\_. The changes to Water Code Sec. 13.2451 apply only to:

- (1) an application for a certificate of public convenience and necessity or for an amendment to a certificate of public convenience and necessity submitted to the Texas Commission on Environmental Quality on or after the effective date of this Act;
- (2) a proceeding to amend or revoke a certificate of public convenience and necessity initiated on or after the effective date of this Act;
- (3) a certificate of public convenience and necessity issued to a municipality, regardless of the date the certificate was issued;
- (4) an application by a municipality or by a utility owned by a municipality for a certificate of public convenience and necessity or for an amendment to a certificate, regardless of the date the application was filed; and
- (5) a proceeding to amend or revoke a certificate of public convenience and necessity held by a municipality or by a utility owned by a municipality, regardless of the date the proceeding was initiated.

SECTION 2.39. Substantially same as House version.

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SECTION 2.16. Transition provision.	SECTION 2.19. Same as Senate version.	SECTION 2.40. Same as Senate version.
No equivalent provision.	SECTION 2.____. Not later than June 1, 2008, the Texas Commission on Environmental Quality shall adopt standards as required by Section 1903.053, Occupations Code, as amended by this article, to take effect January 1, 2009.	SECTION 2.42. Same as House version.
No equivalent provision.	SECTION 2.____. Section 2.____ of this article, adding Section 447.004(c-1), Government Code, takes effect September 1, 2009.	SECTION 2.43. Section 2.27 of this article, adding Section 447.004(c-1), Government Code, takes effect September 1, 2009.
No equivalent article.	ARTICLE 2A. CONSTRUCTION AND OPERATION OF RESERVOIRS	ARTICLE 3. CONSTRUCTION AND OPERATION OF RESERVOIRS
No equivalent provision.	SECTION 2A.01. Chapter 11, Water Code, is amended by adding Subchapter L to read as follows: <u>SUBCHAPTER L. SURCHARGE ON IMPOUNDED SURFACE WATER</u> <u>Sec. 11.601. SURCHARGE ON SURFACE WATER IMPOUNDED IN A RESERVOIR. (a) The holder of a permit to impound surface water in a reservoir shall, on an annual basis, pay a surcharge fee to each political subdivision that assessed ad valorem taxes on property within the reservoir site. The surcharge shall be equal to the ad valorem tax revenue the political subdivision received from the property within the reservoir site at the time the property was acquired for the reservoir.</u> <u>(b) The permit holder shall pay the surcharge for a period of 10 years after the date the property was</u>	Same as Senate version.

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No equivalent provision.

acquired by fee title for the reservoir.

SECTION 2A.02. Subchapter E, Chapter 16, Water Code, is amended by adding Sections 16.1361 and 16.143 through 16.147 to read as follows:

Sec. 16.1361. ACQUISITION OF PROPERTY IN RESERVOIR SITE IN EXCHANGE FOR PARTICIPATION PAYMENT. (a) In this section, "participation payment" means an intangible legal right to receive a percentage of one or more identified fees related to the surface water impounded by a reservoir.

(b) In addition to paying a single fixed payment for an interest in real property or a real property right, an entity that acquires property to construct a reservoir may, with the owner's consent, pay the owner a participation payment.

Sec. 16.143. INTENT TO CONSTRUCT RESERVOIR; ENCUMBRANCE PAYMENT. (a) Before bringing a cause of action under Section 16.051(h), a political subdivision must:

(1) file with the commission a letter of intent to construct a reservoir on the site affected by the violation of Section 16.051(g); and

(2) offer to pay each owner of real property in the reservoir site an encumbrance payment.

(b) An owner of real property to whom an encumbrance payment is offered may reject the offer.

(c) An encumbrance payment must be paid annually to an owner of real property in the reservoir site who has accepted the offer of the payment until:

SECTION 3.02. Subchapter E, Chapter 16, Water Code, is amended by adding Sections 16.1361, 16.143, and 16.144 to read as follows:

Sec. 16.1361. ACQUISITION OF PROPERTY IN RESERVOIR SITE IN EXCHANGE FOR PARTICIPATION PAYMENT. (a) In this section, "participation payment" means an intangible legal right to receive a percentage of one or more identified fees related to the surface water impounded by a reservoir.

(b) In lieu of paying a single fixed payment for an interest in real property or a real property right, an entity acquiring property to construct a reservoir may, with the owner's consent, pay the owner a participation payment.



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(1) the property is acquired for the reservoir; or  
(2) the property is no longer in the reservoir site.  
(d) An encumbrance payment must be in an amount that is not less than 2.5 times the total amount of ad valorem taxes imposed in the tax year that precedes the year in which the payment is made on the property for which the payment is made.

Sec. 16.144. ELIGIBILITY TO PARTICIPATE IN GOVERNMENT PROGRAMS. Property located in the site of a reservoir designated under Section 16.051 continues to be eligible for any public program for which it was eligible before the designation. A state agency or political subdivision may not consider the fact that the property is included in a site that has been designated as being of unique value for the construction of a reservoir when determining the property's eligibility to participate in a public program whose term is not longer than the period before physical construction of the reservoir will begin.

Sec. 16.145. OPTION TO LEASE. (a) A former owner of real property utilized for agriculture purposes that was acquired, voluntarily or through the exercise of the power of eminent domain, for a reservoir whose site has been designated as unique for the construction of a reservoir pursuant to Section 16.051(g) of this chapter is entitled to lease the property from the person who acquired the property under terms that allow the former owner to continue to use the property for agricultural purposes until the person who acquired the property determines that such use must be terminated to allow for

Sec. 16.143. OPTION TO LEASE. (a) A former owner of real property used for agricultural purposes that was acquired, voluntarily or through the exercise of the power of eminent domain, for a reservoir whose site has been designated as unique for the construction of a reservoir under Section 16.051(g) is entitled to lease the property from the person who acquired the property under terms that allow the former owner to continue to use the property for agricultural purposes until the person who acquired the property determines that such use must be terminated to allow for the physical construction of

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the physical construction of the reservoir. Consistent with the provisions of Subsection (b) of this section, such lease shall be the subject of terms and conditions related to the use of the property by the former owner, including but not limited to the term of the lease, the price the former owner shall be required to pay for the lease, and the uses that may be allowed on the property during the term of the lease.

(b) A former owner of real property used for agricultural purposes is entitled to lease the property for the property's agricultural rental value.

Sec. 16.146. ENVIRONMENTAL MITIGATION. (a) If a person proposing to construct a reservoir whose site has been designated as unique for the construction of a reservoir pursuant to Section 16.051(g) of this chapter is required to mitigate future adverse environmental effects arising from the construction or operation of the reservoir or its related facilities, the person shall, if authorized by the applicable regulatory authority, attempt to mitigate such effects by offering to contract with and pay an amount of money to an owner of real property located outside of the reservoir site to maintain the property through an easement instead of acquiring the fee simple title to the property for that purpose.

(b) An owner of real property may reject an offer made under Subsection (a).

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the reservoir. Consistent with Subsection (b), the lease is subject to the terms and conditions set forth by the person who has acquired the property that are related to the use of the property by the former owner, including the term of the lease, the rent the former owner is required to pay under the lease, and the uses that may be allowed on the property during the term of the lease.

(b) A former owner of real property used for agricultural purposes is entitled to lease the property for the property's agricultural rental value until the person who acquired the property determines that the lease must be terminated to allow for the physical construction of the reservoir.

Sec. 16.146. ENVIRONMENTAL MITIGATION. (a) If a person proposing to construct a reservoir whose site has been designated as unique for the construction of a reservoir under Section 16.051(g) is required to mitigate future adverse environmental effects arising from the construction or operation of the reservoir or its related facilities, the person shall, if authorized by the applicable regulatory authority, attempt to mitigate those effects by offering to contract with and pay an amount of money to an owner of real property located outside of the reservoir site to maintain the property through an easement instead of acquiring the fee simple title to the property for that purpose.

(b) An owner of real property may reject an offer made under Subsection (a). If agreement on the terms of an easement under Subsection (a) cannot be reached by the parties after a good faith attempt and offer is made, then

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the party constructing the reservoir may obtain fee title to the property through voluntary or involuntary means.

Sec. 16.147. ENVIRONMENTAL MITIGATION. (a) If a person constructing a reservoir is required to mitigate the past, present, or future adverse environmental effects arising from the construction or operation of the reservoir or its related facilities, the person shall, if authorized by the applicable regulatory authority, attempt to mitigate those effects by offering to contract with and pay an amount of money to an owner of real property to maintain, control, hold, restore, enhance, develop, or redevelop the property instead of acquiring or managing property for that purpose.  
(b) An owner of real property may reject an offer made under Subsection (a).  
(c) Development rights purchased under this section shall be held and administered by a land trust selected by the property owner from a complete list, provided by Texas Parks and Wildlife Commission, of landtrusts, including agricultural landtrusts, operating in this state.  
(d) If practicable, the mitigation of a past, present, or future adverse environmental effect arising from construction or operation of any part of the reservoir or its related facilities shall occur on property within the area of the holder of the permit to impound surface water in the reservoir.

ARTICLE 3. UNIQUE RESERVOIR SITES AND  
SITES OF UNIQUE ECOLOGICAL VALUE.

ARTICLE 3. UNIQUE RESERVOIR SITES AND  
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ARTICLE 4. UNIQUE RESERVOIR SITES AND  
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SECTION 3.01. LEGISLATIVE FINDINGS. The legislature finds that:

- (1) the development of new water supplies to meet the growing demand for water is necessary for the sound economic development of this state and is of concern and importance to this state;
- (2) feasible sites for new reservoirs are identified as having unique value in the 2006 regional water plans and the 2007 state water plan;
- (3) most of the proposed reservoirs are also part of recommended strategies for fulfilling identified needs in the 2007 state water plan that may occur as early as 2010 and 2020;
- (4) it is necessary to preempt actions that could circumvent the state's primacy over surface water in the state; and
- (5) designation of these sites as unique reservoir sites or river or stream segments of unique ecological value is necessary for the sound economic development of this state, for the protection of natural resources, and for the purpose of promoting the public health, safety, and general welfare of this state.

SECTION 3.02. DESIGNATION OF UNIQUE RESERVOIR SITES. The legislature, as authorized by Subsection (g), Section 16.051, Water Code, designates the following sites as having unique value for the construction of a dam and reservoir and further determines that the sites are necessary to meet water supply needs:

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SECTION 3.01. Same as Senate version.

SECTION 3.02. DESIGNATION OF UNIQUE RESERVOIR SITES. (a) Subject to Subsection (b) of this section, the legislature, as authorized by Subsection (g), Section 16.051, Water Code, designates the following sites as having unique value for the construction of a dam and reservoir and further determines that the sites are necessary to meet water

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No equivalent provision.

No equivalent provision. Itemized designations in the conference version are replaced by SECTION 4.01 immediately below.

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- (1) Lower Bois d'Arc reservoir, to be located on Bois d'Arc Creek in Fannin County, upstream from the Caddo National Grasslands Wildlife Management Area;
- (2) Lake Ralph Hall reservoir, to be located on the North Sulphur River in southeast Fannin County, north of the city of Ladonia;
- (3) Marvin Nichols reservoir, to be located on the Sulphur River upstream from its confluence with White Oak Creek; the dam will be located in Titus and Red River Counties and the reservoir will also impound water in Franklin County;
- (4) Lake Fastrill reservoir, to be located on the Neches River in Anderson and Cherokee Counties, downstream from Lake Palestine;
- (5) Tehuacana Creek reservoir, to be located on Tehuacana Creek in Freestone County, south of the Richland-Chambers reservoir, with the two lakes to be connected by a channel;
- (6) Bédias reservoir, to be located on both Bédias and Caney Creeks in portions of Grimes, Madison, and Walker Counties;
- (7) Brushy Creek reservoir, to be located near the city of Marlin in central Falls County;
- (8) Little River reservoir, to be located on the Little River upstream from its confluence with the Brazos River in Milam County;
- (9) Little River off-channel reservoir, to be located northwest of the city of Milano in Milam County, on Beaver Creek, a tributary of the Little River;

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supply needs:

- (1) Lower Bois d'Arc reservoir, to be located on Bois d'Arc Creek in Fannin County, upstream from the Caddo National Grasslands Wildlife Management Area;
- (2) Lake Ralph Hall reservoir, to be located on the North Sulphur River in southeast Fannin County, north of the city of Ladonia;
- (3) Tehuacana Creek reservoir, to be located on Tehuacana Creek in Freestone County, south of the Richland-Chambers reservoir, with the two lakes to be connected by a channel;
- (5) Brushy Creek reservoir, to be located near the city of Marlin in central Falls County;

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- (10) Texana Stage II reservoir, also known as Palmetto Bend, to be located on the Lavaca River in Jackson County above the confluence with the Navidad River;
- (11) Goldthwaite channel dam reservoir, to be located on the Colorado River west of the city of Goldthwaite and downstream from the existing diversion structure;
- (12) Wheeler Branch off-channel reservoir, to be located on the Wheeler Branch tributary of the Paluxy River and north of the city of Glen Rose in Somervell County;
- (13) Cedar Ridge reservoir, to be located on the Clear Fork of the Brazos River upstream from its confluence with Paint Creek and in Throckmorton, Shackelford, and Haskell Counties;
- (14) Lake 07 reservoir, to be located in southeastern Lubbock County, to impound developed water resources discharged into Yellowhouse Canyon as part of the Canyon Lakes System, also known as the Jim Bertram Lake System;
- (15) Lake 08 reservoir, to be located in southeastern Lubbock County, to impound developed water resources discharged into Yellowhouse Canyon as part of the Canyon Lakes System, also known as the Jim Bertram Lake System;
- (16) Nueces off-channel reservoir, to be located west of Lake Corpus Christi in south central Live Oak County, to be linked to Lake Corpus Christi by pipeline and operated as part of the Choke Canyon-Lake Corpus Christi reservoir system;
- (17) Ringgold reservoir, to be located on the Little Wichita River in Clay County approximately one-half

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- (6) Texana Stage II reservoir, also known as Palmetto Bend, to be located on the Lavaca River in Jackson County above the confluence with the Navidad River;
- (7) Goldthwaite channel dam reservoir, to be located on the Colorado River west of the city of Goldthwaite and downstream from the existing diversion structure;
- (8) Wheeler Branch off-channel reservoir, to be located on the Wheeler Branch tributary of the Paluxy River and north of the city of Glen Rose in Somervell County;
- (9) Cedar Ridge reservoir, to be located on the Clear Fork of the Brazos River upstream from its confluence with Paint Creek and in Throckmorton, Shackelford, and Haskell Counties;
- (10) Lake 07 reservoir, to be located in southeastern Lubbock County, to impound developed water resources discharged into Yellowhouse Canyon as part of the Canyon Lakes System, also known as the Jim Bertram Lake System;
- (12) Nueces off-channel reservoir, to be located west of Lake Corpus Christi in south central Live Oak County, to be linked to Lake Corpus Christi by pipeline and operated as part of the Choke Canyon-Lake Corpus Christi reservoir system;
- (13) Ringgold reservoir, to be located on the Little Wichita River in Clay County approximately one-half

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mile upstream from its confluence with the Red River;  
(18) Muenster reservoir, to be located on Brushy Elm Creek in western Cooke County; and  
(19) Brownsville Weir and reservoir, to be located on the lower Rio Grande in Cameron County; the proposed project consists of a weir structure across the channel of the river approximately eight miles downstream from the city of Brownsville.

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mile upstream from its confluence with the Red River;  
(14) Muenster reservoir, to be located on Brushy Elm Creek in western Cooke County;  
(15) Brownsville Weir and reservoir, to be located on the lower Rio Grande in Cameron County; the proposed project consists of a weir structure across the channel of the river approximately eight miles downstream from the city of Brownsville; and  
(16) Prairie Creek reservoir, to be located on Prairie Creek, a tributary of the Sabine River, in Gregg and Smith Counties, west of the city of Longview.  
(b) The designation of a unique reservoir site under Subsection (a) of this section takes effect only if the Texas Commission on Environmental Quality issues a written finding that each water user group for which that reservoir has been identified as a water management strategy in a regional water plan approved by the Texas Water Development Board under Section 16.053, Water Code:  
(1) has prepared a drought contingency plan; and  
(2) has developed and implemented a water conservation plan that will result in the highest practicable levels of water conservation and efficiency achievable within the jurisdiction of the water user group.  
(b) If the construction of a reservoir at a site designated under Subsection (a) of this section was not recommended in the regional water plan for the regional water planning area in which the site is located, the designation of that site under Subsection (a) of this

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section takes effect only if the Texas Water Development Board finds through the use of empirical data that the region that recommended the construction of the reservoir has a water usage rate that is less than 200 gallons per capita per day.

(b) The designation of a unique reservoir site under Subsection (a)(1) or (2) of this section takes effect only if the designation is approved by the commissioners court of Fannin County.

No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

SECTION 4.01. Amends Section 16.051, Water Code, is amended to read as follows:

(g) The legislature may designate a site of unique value for the construction of a reservoir. A state agency or political subdivision of the state may not obtain a fee title or an easement that would significantly prevent the construction of a reservoir on a site designated by the legislature under this subsection. Notwithstanding any other provisions of law, a site is considered to be a designated site of unique value for the construction of a reservoir if the site is included in the state water plan adopted by the board. The legislature may remove such a designation through legislative action.

SECTION \_\_. Section 16.051, Water Code, is amended by adding Subsection (g-1) to read as follows:

(g-1) Notwithstanding any other provisions of law, a site is considered to be a designated site of unique value for the construction of a reservoir if the site is recommended for designation in the 2007 state water



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plan adopted by the board and in effect on May 1, 2007. The designation of a unique reservoir site under this subsection terminates on September 1, 2015, unless there is an affirmative vote by a proposed project sponsor to make expenditures necessary in order to construct or file applications for permits required in connection with the construction of the reservoir under federal or state law.

SECTION 3.03. DESIGNATION OF SITES OF UNIQUE ECOLOGICAL VALUE.

SECTION 3.04. RESTRICTION ON ELIGIBILITY TO HOLD WATER RIGHTS; LIABILITY FOR CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS.(a) This section applies only to a proposed reservoir listed in Subdivision (3), Section 3.02 of this Act, that is to be located in the Region D Regional Water Planning Area.

(b) The right to appropriate at least 20 percent of the quantity of water that is authorized to be appropriated from each proposed reservoir must be held by one or more entities located in the regional water planning area in which the reservoir is to be located.

SECTION 3.03. Same as Senate version.

SECTION 3.04. RESTRICTION ON ELIGIBILITY TO HOLD WATER RIGHTS; LIABILITY FOR CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS. (a) This section applies to:  
(1) a proposed reservoir to be located on the Neches River in Anderson and Cherokee Counties, downstream from Lake Palestine; that is to be located in the Region I Regional Water Planning Area; and  
(2) a proposed reservoir to be located on the Sulphur River upstream from its confluence with White Oak Creek; with a dam that will be located in Titus and Red River Counties and the reservoir would also impound water in Franklin County; that is to be located in the Region D Regional Water Planning Area.

(b) The right to appropriate at least 20 percent of the quantity of water that is authorized to be appropriated from each proposed reservoir must be held by one or more entities located in the regional water planning area in which the reservoir is to be located.

SECTION 4.02. Same as Senate version.

SECTION 4.03. RESTRICTION ON ELIGIBILITY TO HOLD WATER RIGHTS; LIABILITY FOR CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS.(a) This section applies only to the proposed Marvin Nichols reservoir.

(b) The right to appropriate at least 20 percent of the quantity of water that is authorized to be appropriated from the proposed reservoir must be held by one or more entities located in the regional water planning area in which the reservoir is to be located.

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(c) If one or more entities located outside the regional water planning area in which a proposed reservoir is to be located are to hold the right to appropriate a majority of the quantity of water that is authorized to be appropriated from the reservoir, that entity or those entities must pay all of the costs of constructing, operating, and maintaining the reservoir until such time as one or more entities located in the regional water planning area in which the reservoir is to be located begins diverting water. At such time, the entity or entities making a diversion shall pay a pro-rata share of the cost of operating and maintaining the reservoir.

**SECTION 3.05. STUDY COMMISSION ON REGION C WATER SUPPLY.** (a) The Study Commission on Region C Water Supply is established. The study commission consists of six members as follows:

- (1) three members appointed by the Region C Regional Water Planning Group; and
- (2) three members appointed by the Region D Regional Water Planning Group.

(b) A member of the study commission may be, but is

**HOUSE VERSION**

(c) If one or more entities located outside the regional water planning area in which a proposed reservoir is to be located are to hold the right to appropriate a majority of the quantity of water that is authorized to be appropriated from the reservoir, that entity or those entities must pay all of the costs of constructing, operating, and maintaining the reservoir until such time as one or more entities located in the regional water planning area in which the reservoir is to be located begins diverting water. At such time, the entity or entities making a diversion shall pay a pro-rata share of the cost of operating and maintaining the reservoir. In addition, the entities that are to hold the right to appropriate a majority of the quantity of water that is to be appropriated from the reservoir shall pay all of the costs associated with realignment, relocation, and elevation of the Texas State Railroad in order to maintain its operations.

**SECTION 3.05. STUDY COMMISSION ON REGION C WATER SUPPLY.** (a) The Study Commission on Region C Water Supply is established. The study commission consists of six members as follows:

- (1) two members appointed by the Region C Regional Water Planning Group; and
- (2) two members appointed by the Region D Regional Water Planning Group.
- (3) two members appointed by the Region I Regional Water Planning Group.

(b) A member of the study commission may be, but is

**CONFERENCE**

(c) If one or more entities located outside the regional water planning area in which the proposed reservoir is to be located are to hold the right to appropriate a majority of the quantity of water that is authorized to be appropriated from the reservoir, that entity or those entities must pay all of the costs of constructing, operating, and maintaining the reservoir until such time as one or more entities located in the regional water planning area in which the reservoir is to be located begins diverting water. At such time, the entity or entities making a diversion shall pay a pro-rata share of the cost of operating and maintaining the reservoir.

**SECTION 4.04. STUDY COMMISSION ON REGION C WATER SUPPLY.** (a) The Study Commission on Region C Water Supply is established. The study commission consists of six members as follows:

- (1) three members appointed by the Region C Regional Water Planning Group; and
- (2) three members appointed by the Region D Regional Water Planning Group.

(b) A member of the study commission may be, but is

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not required to be, a voting member of the regional water planning group that appointed the member.

(c) The members of the study commission shall select a presiding officer from among the members.

(d) Members of the study commission are not entitled to compensation for service on the study commission but may be reimbursed for travel expenses incurred while conducting the business of the study commission, as provided for in the General Appropriations Act.

(e) The study commission shall:

(1) review the water supply alternatives available to the Region C Regional Water Planning Area, including obtaining additional water supply from Wright Patman Lake, Toledo Bend Reservoir, Lake Texoma, Lake o' the Pines, and other existing and proposed reservoirs;

(2) in connection with the review under Subdivision (1) of this subsection, analyze the socioeconomic effect on the area where the water supply is located that would result from the use of the water to meet the water needs of the Region C Regional Water Planning Area, including:

(A) the effects on landowners, agricultural and natural resources, businesses, industries, and taxing entities of different water management strategies; and

(B) in connection with the use by the Region C Regional Water Planning Area of water from Wright Patman Lake, the effect on water availability in that lake and the effect on industries relying on that water availability;

(3) determine whether water demand in the Region C

**HOUSE VERSION**

not required to be, a voting member of the regional water planning group that appointed the member.

(c) The members of the study commission shall select a presiding officer from among the members.

(d) Members of the study commission are not entitled to compensation for service on the study commission but may be reimbursed for travel expenses incurred while conducting the business of the study commission, as provided for in the General Appropriations Act.

(e) The study commission shall:

(1) review the water supply alternatives available to the Region C Regional Water Planning Area, including obtaining additional water supply from Wright Patman Lake, Toledo Bend Reservoir, Lake Texoma, Lake o' the Pines, other existing and proposed reservoirs, and groundwater resources;

(2) in connection with the review under Subdivision (1) of this subsection, analyze the socioeconomic effect on the area where the water supply is located that would result from the use of the water to meet the water needs of the Region C Regional Water Planning Area, including:

(A) the effects on landowners, agricultural and natural resources, businesses, industries, and taxing entities of different water management strategies; and

(B) in connection with the use by the Region C Regional Water Planning Area of water from Wright Patman Lake, the effect on water availability in that lake and the effect on industries relying on that water availability;

(3) determine whether water demand in the Region C

**CONFERENCE**

not required to be, a voting member of the regional water planning group that appointed the member.

(c) The members of the study commission shall select a presiding officer from among the members.

(d) Members of the study commission are not entitled to compensation for service on the study commission but may be reimbursed for travel expenses incurred while conducting the business of the study commission, as provided for in the General Appropriations Act.

(e) The study commission shall:

(1) review the water supply alternatives available to the Region C Regional Water Planning Area, including obtaining additional water supply from Wright Patman Lake, Toledo Bend Reservoir, Lake Texoma, Lake o' the Pines, other existing and proposed reservoirs, and groundwater resources;

(2) in connection with the review under Subdivision (1) of this subsection, analyze the socioeconomic effect on the area where the water supply is located that would result from the use of the water to meet the water needs of the Region C Regional Water Planning Area, including:

(A) the effects on landowners, agricultural and natural resources, businesses, industries, and taxing entities of different water management strategies; and

(B) in connection with the use by the Region C Regional Water Planning Area of water from Wright Patman Lake, the effect on water availability in that lake and the effect on industries relying on that water availability;

(3) determine whether water demand in the Region C

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Regional Water Planning Area may be reduced through additional conservation and reuse measures so as to postpone the need for additional water supplies;

(4) evaluate measures that would need to be taken to comply with the mitigation requirements of the United States Army Corps of Engineers in connection with any proposed new reservoirs, including identifying potential mitigation sites;

(5) consider whether the mitigation burden described by Subdivision (4) of this subsection may be shared by the Regions C and D Regional Water Planning Areas in proportion to the allocation to each region of water in any proposed reservoir;

(6) review innovative methods of compensation to affected property owners, including royalties for water stored on acquired properties and annual payments to landowners for properties acquired for the construction of a reservoir to satisfy future water management strategies;

(7) evaluate the minimum number of surface acres required for the construction of proposed reservoirs in order to develop adequate water supply; and

(8) identify the locations of proposed reservoir sites in the Regions C and D Regional Water Planning Areas using satellite imagery with sufficient resolution to permit land ownership to be determined.

(f) The study commission may not be assisted by any person that is a party to or is employed by a party to a

**HOUSE VERSION**

Regional Water Planning Area may be reduced through additional conservation and reuse measures so as to postpone the need for additional water supplies;

(4) evaluate measures that would need to be taken to comply with the mitigation requirements of the United States Army Corps of Engineers in connection with any proposed new reservoirs, including identifying potential mitigation sites;

(5) consider whether the mitigation burden described by Subdivision (4) of this subsection may be shared by the Regions C, D and I Regional Water Planning Areas in proportion to the allocation to each region of water in any proposed reservoir;

(6) review innovative methods of compensation to affected property owners, including royalties for water stored on acquired properties and annual payments to landowners for properties acquired for the construction of a reservoir to satisfy future water management strategies;

(7) evaluate the minimum number of surface acres required for the construction of proposed reservoirs in order to develop adequate water supply; and

(8) identify the locations of proposed reservoir sites, and proposed mitigation as applicable as selected in accordance with existing state and federal law in the Regions C, D, and I Regional Water Planning Areas using satellite imagery with sufficient resolution to permit land ownership to be determined.

(f) The study commission may not be assisted by any person that is a party to or is employed by a party to a

**CONFERENCE**

Regional Water Planning Area may be reduced through additional conservation and reuse measures so as to postpone the need for additional water supplies;

(4) evaluate measures that would need to be taken to comply with the mitigation requirements of the United States Army Corps of Engineers in connection with any proposed new reservoirs, including identifying potential mitigation sites;

(5) consider whether the mitigation burden described by Subdivision (4) of this subsection may be shared by the Regions C and D Regional Water Planning Areas in proportion to the allocation to each region of water in any proposed reservoir;

(6) review innovative methods of compensation to affected property owners, including royalties for water stored on acquired properties and annual payments to landowners for properties acquired for the construction of a reservoir to satisfy future water management strategies;

(7) evaluate the minimum number of surface acres required for the construction of proposed reservoirs in order to develop adequate water supply; and

(8) identify the locations of proposed reservoir sites and proposed mitigation sites as applicable, as selected in accordance with existing state and federal law, in the Regions C and D Regional Water Planning Areas using satellite imagery with sufficient resolution to permit land ownership to be determined.

(f) The study commission may not be assisted by any person that is a party to or is employed by a party to a

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contract to perform engineering work with respect to site selection, permitting, design, or construction of the proposed Marvin Nichols reservoir.

(g) The Texas Water Development Board, on request of the study commission, may provide staff support or other assistance necessary to enable the study commission to carry out its duties. The Texas Water Development Board shall provide funding for the study commission, including funding of any studies conducted by the study commission, from the regional planning budget of the board.

(h) Not later than December 1, 2010, the study commission shall deliver a report to the governor, lieutenant governor, and speaker of the house of representatives that includes:

- (1) any studies completed by the study commission;
- (2) any legislation proposed by the study commission;
- (3) a recommendation as to whether Marvin Nichols should remain a designated reservoir site; and

(4) other findings and recommendations of the study commission.

(i) The study commission is abolished and this section expires December 31, 2011.

No equivalent provision.

**HOUSE VERSION**

contract to perform engineering work with respect to site selection, permitting, design, or construction of a proposed reservoir in Regions D or I.

(g) The Texas Water Development Board, on request of the study commission, may provide staff support or other assistance necessary to enable the study commission to carry out its duties. The Texas Water Development Board shall provide funding for the study commission, including funding of any studies conducted by the study commission, from the regional planning budget of the board.

(h) Not later than December 1, 2010, the study commission shall deliver a report to the governor, lieutenant governor, and speaker of the house of representatives that includes any:

- (1) studies completed by the study commission;
- (2) legislation proposed by the study commission;
- (3) a recommendation as to whether Marvin Nichols should remain a designated reservoir site;
- (4) a recommendation as to whether any reservoir to be located on the Neches River in Anderson and Cherokee Counties, downstream from Lake Palestine should remain a designated reservoir site; and

(5) other findings and recommendations of the study commission.

(i) The study commission is abolished and this section expires December 31, 2011.

SECTION 3.\_\_\_\_. The designation of a unique reservoir site under Section 3.02 of this Act expires on August 31,

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contract to perform engineering work with respect to site selection, permitting, design, or construction of the proposed Marvin Nichols reservoir.

(g) The Texas Water Development Board, on request of the study commission, may provide staff support or other assistance necessary to enable the study commission to carry out its duties. The Texas Water Development Board shall provide funding for the study commission, including funding of any studies conducted by the study commission, from the regional planning budget of the board.

(h) Not later than December 1, 2010, the study commission shall deliver a report to the governor, lieutenant governor, and speaker of the house of representatives that includes:

- (1) any studies completed by the study commission;
- (2) any legislation proposed by the study commission;
- (3) a recommendation as to whether Marvin Nichols should remain a designated reservoir site; and

(4) other findings and recommendations of the study commission.

(i) The study commission is abolished and this section expires December 31, 2011.

Same as Senate version.

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	2013, unless on or before that date a proposed project sponsor of the reservoir project votes affirmatively to make expenditures necessary to file an application for a permit required to construct the reservoir under state or federal law.	
SECTION 3.06. EFFECTIVE DATE.	SECTION 3.06. Same as Senate version.	SECTION 4.05. Same as Senate version.
ARTICLE 4. LEGISLATIVE JOINT INTERIM COMMITTEE	ARTICLE 4. Same as Senate version.	ARTICLE 5. Same as Senate version.
SECTION 4.01. Relates to the committee.	SECTION 4.01. Same as Senate version.	SECTION 5.01. Same as Senate version.
No equivalent provision.	ARTICLE 4. TRANSFER OF RESPONSIBILITY FOR THE NATIONAL FLOOD INSURANCE PROGRAM FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY TO THE TEXAS WATER DEVELOPMENT BOARD AND ADMINISTRATION AND FUNDING OF THE PROGRAM	Same as Senate version.
No equivalent provision.	SECTION 4.01. Section 251.004, Insurance Code, is amended to read as follows: Sec. 251.004. DEPOSIT OF MAINTENANCE TAXES. <u>(a) Except as provided by Subsection (b), maintenance</u> <u>[Maintenance] taxes collected under this subtitle shall be deposited in the general revenue fund and reallocated to the Texas Department of Insurance operating account.</u> <u>(b) Each state fiscal year, the comptroller shall reallocate to the floodplain management account established under</u>	Same as Senate version.

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Section 16.3161, Water Code, the first \$3.05 million of the maintenance taxes collected under Chapter 252 and deposited in the general revenue fund.

No equivalent provision.

SECTION 4.02. Subsection (a), Section 5.013, Water Code, is amended to read as follows:

(a)The commission has general jurisdiction over:

(1)water and water rights including the issuance of water rights permits, water rights adjudication, cancellation of water rights, and enforcement of water rights;

(2)continuing supervision over districts created under Article III, Sections 52(b)(1) and (2), and Article XVI, Section 59, of the Texas Constitution;

(3)the state's water quality program including issuance of permits, enforcement of water quality rules, standards, orders, and permits, and water quality planning;

(4)the determination of the feasibility of certain federal projects;

(5)the adoption and enforcement of rules and performance of other acts relating to the safe construction, maintenance, and removal of dams;

(6)conduct of the state's hazardous spill prevention and control program;

(7)the administration of the state's program relating to inactive hazardous substance, pollutant, and contaminant disposal facilities;

(8)the administration of a portion of the state's injection well program;

(9)the administration of the state's programs involving underground water and water wells and drilled and

Same as Senate version.

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mined shafts;  
(10)the state's responsibilities relating to regional waste disposal;  
(11)the responsibilities assigned to the commission by Chapters 361, 363, 382, and 401, Health and Safety Code;  
(12)~~the administration of the national flood insurance program;~~  
[(13)] administration of the state's water rate program under Chapter 13 of this code; and  
(13)[(14)] any other areas assigned to the commission by this code and other laws of this state.

No equivalent provision.

SECTION 4.03. Subsection (a), Section 6.012, Water Code, is amended to read as follows:  
(a)The board has general jurisdiction over:  
(1)the development of a statewide water plan;  
(2)the administration of the state's various water assistance and financing programs including those created by the constitution; ~~and~~  
(3)the administration of the National Flood Insurance Program; and  
(4)other areas specifically assigned to the board by this code or other law.

Same as Senate version.

No equivalent provision.

SECTION 4.04. Section 16.314, Water Code, is amended to read as follows:  
Sec. 16.314. COOPERATION OF  
BOARD~~COMMISSION~~. In recognition of the necessity for a coordinated effort at all levels of

Same as Senate version.



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government, the board ~~[commission]~~ shall cooperate with the Federal Emergency Management Agency in the planning and carrying out of state participation in the National Flood Insurance Program; however, the responsibility for qualifying for the National Flood Insurance Program shall belong to any interested political subdivision, whether presently in existence or created in the future.

No equivalent provision.

SECTION 4.05. Section 16.315, Water Code, is amended to read as follows:

Sec. 16.315. POLITICAL SUBDIVISIONS;  
COMPLIANCE WITH FEDERAL REQUIREMENTS.

All political subdivisions are hereby authorized to take all necessary and reasonable actions that are not less stringent than ~~[to comply with]~~ the requirements and criteria of the National Flood Insurance Program, including but not limited to:

- (1)making appropriate land use adjustments to constrict the development of land which is exposed to flood damage and minimize damage caused by flood losses;
- (2)guiding the development of proposed future construction, where practicable, away from a location which is threatened by flood hazards;
- (3)assisting in minimizing damage caused by floods;
- (4)authorizing and engaging in continuing studies of flood hazards in order to facilitate a constant reappraisal of the flood insurance program and its effect on land use requirements;
- (5)engaging in floodplain management, ~~[and]~~ adopting

Same as Senate version.

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and enforcing permanent land use and control measures that are not less stringent than those [consistent with the criteria] established under the National Flood Insurance Act, and providing for the imposition of penalties on landowners who violate this subchapter or rules adopted or orders issued under this subchapter;

(6)declaring property, when such is the case, to be in violation of local laws, regulations, or ordinances which are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas and notifying the director, or whomever the director designates, of such property;

(7)consulting with, giving information to, and entering into agreements with the Federal Emergency Management Agency for the purpose of:

(A)identifying and publishing information with respect to all flood areas, including coastal areas; and

(B)establishing flood-risk zones in all such areas and making estimates with respect to the rates of probable flood-caused loss for the various flood-risk zones for each of these areas;

(8)cooperating with the director's studies and investigations with respect to the adequacy of local measures in flood-prone areas as to land management and use, flood control, flood zoning, and flood damage prevention;

(9)taking steps, using regional, watershed, and multi-objective approaches, to improve the long-range management and use of flood-prone areas;

(10)purchasing, leasing, and receiving property from the

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director when such property is owned by the federal government and lies within the boundaries of the political subdivision pursuant to agreements with the Federal Emergency Management Agency or other appropriate legal representative of the United States Government;

(11)requesting aid pursuant to the entire authorization from the board ~~[commission]~~;

(12)satisfying criteria adopted and promulgated by the board ~~[commission]~~ pursuant to the National Flood Insurance Program;

(13)adopting permanent land use and control measures with enforcement provisions that are not less stringent than ~~[which are consistent with]~~ the criteria for land management and use adopted by the director;

(14)adopting more comprehensive floodplain management rules that the political subdivision determines are necessary for planning and appropriate to protect public health and safety;

(15)participating in floodplain management and mitigation initiatives such as the National Flood Insurance Program's Community Rating System, Project Impact, or other initiatives developed by federal, state, or local government; and

(16)collecting reasonable fees to cover the cost of administering a local floodplain management program.

No equivalent provision.

SECTION 4.06. Section 16.316, Water Code, is amended to read as follows:  
Sec. 16.316. COORDINATION OF LOCAL, STATE,

Same as Senate version.

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AND FEDERAL PROGRAMS BY BOARD  
[~~COMMISSION~~]. (a) The board [~~commission~~] shall aid, advise, and coordinate the efforts of present and future political subdivisions endeavoring to qualify for participation in the National Flood Insurance Program. (b) Pursuant to the National Flood Insurance Program and state and local efforts complementing the program, the board [~~commission~~] shall aid, advise, and cooperate with political subdivisions, the Texas Department of Insurance, and the Federal Emergency Management Agency when aid, advice, and cooperation are requested or deemed advisable by the board [~~commission~~]. (c) The aforementioned aid may include but is not necessarily limited to:

- (1) coordinating local, state, and federal programs relating to floods, flood losses, and floodplain management;
- (2) evaluating the present structure of all federal, state, and political subdivision flood control programs within or adjacent to the state, including an assessment of the extent to which public and private floodplain management activities have been instituted;
- (3) carrying out studies with respect to the adequacy of present public and private measures, laws, regulations, and ordinances in flood-prone areas as to land management and use, flood control, flood zoning, and flood damage prevention;
- (4) evaluating all available engineering, hydrologic, and geologic data relevant to flood-prone areas and flood control in those areas; [~~and~~]

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(5) carrying out floodplain studies and mapping programs of floodplains, flood-prone areas, and flood-risk zones;  
(6) encouraging the Federal Emergency Management Agency to evaluate flood-prone areas by river basin and river system;  
(7) coordinating the use of federal, state, and local grant money;  
(8) making floodplain maps and floodplain information accessible to the public, including in an electronic format through the board's Internet website; and  
(9) maintaining at least one staff member in each of the board's field offices to encourage participation in the National Flood Insurance Program by performing education and outreach and coordinating the efforts of political subdivisions.  
(d) On the basis of such studies and evaluations, the board ~~[commission]~~, to the extent of its capabilities, shall periodically identify and publish information and maps with respect to all floodplain areas, including the state's coastal area, which have flood hazards, and where possible aid the federal government in identifying and establishing flood-risk zones in all such areas.

No equivalent provision.

SECTION 4.07. Subchapter I, Chapter 16, Water Code, is amended by adding Section 16.3161 to read as follows:  
Sec. 16.3161. FLOODPLAIN MANAGEMENT ACCOUNT. (a) The floodplain management account is a special fund in the state treasury outside the general

Same as Senate version.

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revenue fund. The fund is composed of:  
(1) money deposited to the credit of the account under  
Section 251.004, Insurance Code;  
(2) money directly appropriated to the board; and  
(3) money from gifts or grants from the United States  
government, local or regional governments, private  
sources, or other sources.  
(b) The account shall be administered by the board in  
accordance with this section.  
(b) The board may use the account to fund the  
performance of the board's functions under Section  
16.316.  
(c) The board may invest, reinvest, and direct the  
investment of any available money in the account as  
provided by law for the investment of money under  
Section 404.024, Government Code.

No equivalent provision.

SECTION 4.08. Section 16.317, Water Code, is amended to read as follows:  
Sec. 16.317. COOPERATION OF TEXAS DEPARTMENT OF INSURANCE. Pursuant to the National Flood Insurance Program, the Texas Department of Insurance shall aid, advise, and cooperate with political subdivisions, the board [~~commission~~], and the Federal Emergency Management Agency when such aid, advice, and cooperation are requested or deemed advisable by the Texas Department of Insurance.

Same as Senate version.

No equivalent provision.

SECTION 4.09. Section 16.318, Water Code, is amended to read as follows:

Same as Senate version.

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Sec. 16.318. RULES. Political subdivisions which qualify for the National Flood Insurance Program, the Texas Department of Insurance, and the board [~~commission~~] may adopt and promulgate reasonable rules which are necessary for the orderly effectuation of the respective authorizations herein.

No equivalent provision.

SECTION 4.10. (a) Not later than January 1, 2008:  
(1)all powers, duties, obligations, rights, contracts, leases, records, assets, property, funds, and appropriations of the Texas Commission on Environmental Quality that relate primarily to the administration of the National Flood Insurance Program are transferred to the Texas Water Development Board;  
(2)all rules, policies, forms, procedures, and decisions of the Texas Commission on Environmental Quality that relate primarily to the administration of the National Flood Insurance Program are continued in effect as rules, policies, forms, procedures, and decisions of the Texas Water Development Board, until superseded by a rule or other appropriate action of the Texas Water Development Board; and  
(3)any investigation, complaint, action, contested case, or other proceeding involving the Texas Commission on Environmental Quality that relates primarily to the administration of the National Flood Insurance Program is transferred without change in status to the Texas Water Development Board, and the Texas Water Development Board assumes, without a change in status, the position of the Texas Commission on Environmental Quality in

Same as Senate version.

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any investigation, complaint, action, contested case, or other proceeding that relates primarily to the administration of the National Flood Insurance Program involving the Texas Commission on Environmental Quality.

(b) The transfer of the powers and duties of the Texas Commission on Environmental Quality that relate primarily to the administration of the National Flood Insurance Program to the Texas Water Development Board does not affect the validity of a right, privilege, or obligation accrued, a contract or acquisition made, any liability incurred, a permit or license issued, a penalty, forfeiture, or punishment assessed, a rule adopted, a proceeding, investigation, or remedy begun, a decision made, or other action taken by or in connection with the Texas Commission on Environmental Quality.

No equivalent provision.

SECTION 4.11. This article takes effect September 1, 2007, but only if before that date the 80th Legislature appropriates at least \$6.1 million to the Texas Water Development Board for the state fiscal biennium beginning September 1, 2007, specifically for the purpose of administering the National Flood Insurance Program. If before that date the 80th Legislature does not appropriate at least that amount to the Texas Water Development Board for that state fiscal biennium specifically for that purpose, this article has no effect.

Same as Senate version.

No equivalent provision.

ARTICLE \_\_. WATER DEVELOPMENT BOARD

ARTICLE 6. Same as House version.



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No equivalent provision.

SECTION \_\_.01. Section 16.344, Water Code, is amended by adding Subsections (d), (e), (f), (g), (h), and (i) to read as follows:

(d) Notwithstanding Section 16.343(g) or Section 16.350(a), a political subdivision may temporarily continue to receive funds under Subchapter K, Chapter 17, if the political subdivision submits a request for temporary continuation of funding and the board determines that:

(1) the political subdivision's initial funding application and any amendments for a designated area were reviewed and approved by the board before January 1, 2007;

(2) withholding funds would result in an undue hardship for occupants of the property to be served by unreasonably delaying the provision of adequate water or wastewater services;

(3) withholding funds would result in inefficient use of local, state, or federal funds under the program;

(4) the political subdivision has committed to take the necessary and appropriate actions to correct any deficiencies in adoption or enforcement of the model rules within the time designated by the board, but not later than the 90th day after the date the board makes the determinations under this subsection;

(5) the political subdivision has sufficient safeguards in place to prevent the proliferation of colonias; and

(6) during the 30 days after the date the board receives a request under this subsection, the board, after consulting with the attorney general, secretary of state, and

SECTION 6.01. Same as House version.

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commission, has not received an objection from any of those entities to the request for temporary continuation of funding.

(e) In applying Subsection (d) to applications for increased financial assistance, the board shall only consider areas that were included in the initial application, except that the board may reconsider the eligibility of areas that were the subject of a facility plan in the initial application and that may be determined to be eligible based on criteria in effect September 1, 2005.

(f) The political subdivision shall take necessary and appropriate actions to correct any deficiencies in its adoption and enforcement of the model rules within the time period required by the board, not to exceed the 90-day period described by Subsection (d)(4), and provide evidence of compliance to the board. The board shall discontinue funding unless the board makes a determination based on the evidence provided that the political subdivision has demonstrated sufficient compliance to continue funding.

(g) Except as provided by Subsections (d)-(f), if the board determines that a county or city that is required to adopt and enforce the model rules is not enforcing the model rules, the board shall discontinue funding for all projects within the county or city that are funded under Subchapter K, Chapter 17.

(h) The board may not accept or grant applications for temporary funding under Subsection (d) after June 1, 2009.

(i) Subsections (d), (e), (f), (g), and (h) and this

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subsection expire September 1, 2009.

No equivalent provision.

ARTICLE \_\_. RATE CLASSES FOR BILLING.

ARTICLE. 7. RATE CLASSES FOR BILLING.

No equivalent provision.

SECTION \_\_.01. Subchapter H, Chapter 49, Water Code, is amended by adding Section 49.2122 to read as follows:

SECTION 7.01. Same as House version.

Sec. 49.2122. ESTABLISHMENT OF CUSTOMER CLASSES. (a) Notwithstanding any other law, a district may establish different charges, fees, rentals, or deposits among classes of customers that are based on any factor the district considers appropriate, including:

(1) the similarity of the type of customer to other customers in the class, including:

(A) residential;

(B) commercial;

(C) industrial;

(D) apartment;

(E) rental housing;

(F) irrigation;

(G) homeowner associations;

(H) builder;

(I) out-of-district;

(J) nonprofit organization; and

(K) any other type of customer as determined by the district;

(2) the type of services provided to the customer class;

(3) the cost of facilities, operations, and administrative services to provide service to a particular class of customer, including additional costs to the district for

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security, recreational facilities, or fire protection paid from other revenues; and  
(4) the total revenues, including ad valorem tax revenues and connection fees, received by the district from a class of customers relative to the cost of service to the class of customers.  
(b) A district is presumed to have weighed and considered appropriate factors and to have properly established charges, fees, rentals, and deposits absent a showing that the district acted arbitrarily and capriciously.

No equivalent provision.

ARTICLE \_\_. STUDY OF ROLE OF LAKE  
SOMERVILLE IN ECONOMIC DEVELOPMENT

No equivalent provision.

SECTION \_\_.01. The legislature finds that:  
(1) in 1954, the United States Congress authorized the construction of Lake Somerville to provide flood control, water conservation, and other beneficial uses for nearby areas; subsequently, the United States Army Corps of Engineers began reservoir construction in 1962 and began to impound water in 1967;  
(2) straddling the borders of Burleson, Washington, and Lee Counties, on Yegua Creek 20 river miles upstream from that creek's confluence with the Brazos River, the lake has a storage capacity of 337,700 acre-feet;  
(3) operation of the lake is supervised by the Fort Worth District of the United States Army Corps of Engineers; the lake is one of nine federal reservoirs that are integrated into the Brazos River Authority's basin-wide

ARTICLE 8. STUDY OF ROLE OF LAKE  
SOMERVILLE IN ECONOMIC DEVELOPMENT

SECTION 8.01. Same as House version.

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system and associated water resource development master plan;

(4) the Brazos River Authority owns the stored water, a source from which it furnishes supplies to the City of Brenham according to a contract that was last renewed for a 10-year period in 2003;

(5) also significantly involved in the region is the Lower Colorado River Authority, which, from its diverse mix of power plants, provides wholesale electricity to various communities as well as offering them its economic research and expertise;

(6) although Lake Somerville has long been a tourist destination for fishing and other water recreation, the facility has not fully effectuated the three-county economic impact that originally was expected at the time that it was built; and

(7) a study of Lake Somerville's role in economic development would assist in explaining why the lake has not yet had that impact, beyond the tourism industry, and would help to identify impediments that currently restrict its contribution as well as strategies that would better maximize its economic potential.

No equivalent provision.

SECTION \_\_.02. The Brazos River Authority and the Lower Colorado River Authority shall:

(1) conduct, with appropriate input from the public and private sectors, a joint baseline study of the role of Lake Somerville in the economic development of the surrounding vicinity; and

(2) jointly submit a full report of their findings and

SECTION 8.02. Same as House version.

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	recommendations to the 81st Legislature when that legislature convenes in January 2009.	
No equivalent provision.	ARTICLE __. LA JOYA SPECIAL UTILITY DISTRICT	
No equivalent provision.	SECTION __.01. Section 7201.001, Special District Local Laws Code, is amended by adding Subdivision (2-a) to read as follows: <u>(2-a) "Director" means a member of the board.</u>	
No equivalent provision.	SECTION __.02. Section 7201.002(c), Special District Local Laws Code, is amended to read as follows: (c) <u>The</u> <del>[On the effective date of the Act enacting this chapter, the]</del> corporation shall be dissolved and succeeded without interruption by the district <u>as provided by Subchapter A1.</u>	
No equivalent provision.	SECTION __.03. Section 7201.021, Special District Local Laws Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (f) to read as follows: (a) <u>After the temporary directors listed under Section 7201.051 have qualified for office under Section 49.055, Water Code, the receiver for the corporation</u> <del>[On the effective date of the Act enacting this chapter, the corporation]</del> shall transfer the assets, debts, and contractual rights and obligations of the corporation to the district and provide notices and make recordings of	

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the transfer required by the Water Code and general law.

(b) In accordance with the orders of the receivership court and not [Not] later than the 30th day after the date of the transfer under Subsection (a), the receiver for [board of directors of] the corporation shall commence dissolution proceedings of the corporation.

(d) The receiver for [board of directors of] the corporation shall notify the Texas Commission on Environmental Quality of the dissolution of the corporation and its succession in interest by [the creation of] the district in order [to replace it] to effect the transfer of Certificates of Convenience and Necessity Nos. 10559 and 20785 to the district.

(f) After the Texas Commission on Environmental Quality takes the action required by Subsection (e), the court shall terminate the receivership.

No equivalent provision.

SECTION \_\_.04. Section 7201.022, Special District Local Laws Code, is amended to read as follows:  
Sec. 7201.022. EXPIRATION OF SUBCHAPTER.  
This subchapter expires September 1, 2010 [2008].

No equivalent provision.

SECTION \_\_.05. Sections 7201.051(a) and (b), Special District Local Laws Code, are amended to read as follows:

(a) The temporary board consists of seven [The directors of the corporation who hold office on the effective date of the Act enacting this chapter shall serve as the temporary] directors who shall serve [of the district] until successor directors are elected and qualify for office.

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(b) The temporary directors of the district consist of the following persons, who are assigned position numbers as follows:

- (1) Position 1, Janie G. Ramirez [~~Jose Luis Trigo~~];
- (2) Position 2, Ricardo Perez [~~Jose Guadalupe Reyna~~];
- (3) Position 3, Efren Garza [~~George Barreiro~~];
- (4) Position 4, Jerry Bell [~~Froilan Ramirez~~];
- (5) Position 5, Alton Moore [~~Russell Wicker~~];
- (6) Position 6, Marilou Prudencio [~~Benito Salinas~~]; and
- (7) Position 7, Everado Torres [~~Manuel Ricardo Garcia~~];
- ~~[(8) Position 8, Valente Alaniz, Jr.; and]~~
- ~~[(9) Position 9, Juan Lino Garza].~~

No equivalent provision.

SECTION \_\_.06. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.0512 and 7201.0513 to read as follows:

Sec. 7201.0512. TEMPORARY BOARD TRAINING.

(a) Before December 31, 2007, each temporary director shall complete at least 12 hours of training on district management and compliance with laws applicable to the district as determined by the receiver for the corporation.

(b) The district shall reimburse a temporary director for the reasonable expenses incurred by the director in attending the training.

Sec. 7201.0513. EDUCATION PROGRAM. (a)

Before the first election of directors, the temporary board shall establish a program of education for directors that includes information on:

- (1) the history of the district;
- (2) the district's enabling legislation;



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(3) Chapters 49 and 65, Water Code, and other laws that apply to the district, including the requirements of the:  
(A) open meetings law, Chapter 551, Government Code;  
and  
(B) public information law, Chapter 552, Government Code;  
(4) relevant legal developments related to water district governance;  
(5) the legal duties and responsibilities of the board;  
(6) the requirements of conflict of interest laws and other laws relating to public officials; and  
(7) any applicable ethics policies adopted by the Texas Commission on Environmental Quality or the Texas Ethics Commission.  
(b) The district shall pay any costs associated with the development of the education program from district revenue.  
(c) The education program may include training provided by an organization offering courses that have been approved by the Texas Commission on Environmental Quality.  
(d) The board may adopt bylaws modifying the education program as necessary to meet district needs.

No equivalent provision.

SECTION \_\_.07. Section 7201.052, Special District Local Laws Code, is amended by amending Subsections (a), (f), (g), and (h) and adding Subsections (i), (j), and (k) to read as follows:  
(a) The district shall be governed by a board of seven ~~[not fewer than nine and not more than 14]~~ directors[,

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elected in accordance with Section 49.103, Water Code, notwithstanding Subsection (f)(2) of that section].

(f) On the uniform election date in May 2008, or in May 2009, if the election is postponed under Subsection (i) [2006], and on that uniform election date every third year after that date, the district shall hold an election to elect two [three] directors to serve in positions 1[,4,] and 2 [7].

(g) On the uniform election date in May 2009, or in May 2010, if the election is postponed under Subsection (i) [2007], and on that uniform election date every third year after that date, the district shall hold an election to elect two [three] directors to serve in positions 2, 3[,], and 4 [5].

(h) On the uniform election date in May 2010, or in May 2011, if the election is postponed under Subsection (i) [2008], and on that uniform election date every third year after that date, the district shall hold an election to elect three directors to serve in positions 5, 6, [8,] and 7 [9].

(i) The temporary board by order may postpone until the uniform election date in May of the following year the first election for directors under each of Subsections (f), (g), and (h) if the temporary board determines that there is not sufficient time to comply with the requirements of law and to order the first election of directors to be held on the first uniform date specified by Subsection (f).

(j) A director may not serve consecutive terms.

(k) A person who has served as a member of the board of directors of the corporation is not eligible to serve as a district director.

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No equivalent provision.

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SECTION \_\_.08. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.053 and 7201.054 to read as follows:

Sec. 7201.053. DISTRICT TREASURER. (a) The board shall elect from among its members one director to serve as district treasurer.

(b) The district treasurer shall comply with the training requirements provided by Section 49.1571, Water Code, for an investment officer of a district.

Sec. 7201.054. EDUCATION FOR DIRECTORS. (a) Each elected director shall complete the education program established under Section 7201.0513 before the first anniversary of the date on which the director was elected.

(b) The district shall reimburse a director for the reasonable expenses incurred by the director in attending the education program.

(c) A director who is elected to serve a subsequent term shall fulfill the education requirements specified by district bylaws.

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No equivalent provision.

SECTION \_\_.09. (a) Except as otherwise provided by Chapter 7201, Special District Local Laws Code, as amended by this article, the La Joya Special Utility District is subject to:

(1) any judicial or administrative order imposing an injunction against the La Joya Water Supply Corporation that is in effect on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this article; or

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(2) any judicial or administrative order imposing liability for monetary damages or a civil or administrative penalty against the La Joya Water Supply Corporation that is unsatisfied on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this article.

(b) This section does not relieve a person who served on the board of directors of the La Joya Water Supply Corporation of any individual or joint and several liability imposed by a court of this state for actions taken by that person on behalf of the corporation or prevent the La Joya Special Utility District from filing a claim for damages against that person.

(c) If the La Joya Special Utility District pays a claim of a person against the La Joya Water Supply Corporation, the district is subrogated to any rights of that person against the corporation to the extent of the amount paid to that person.

No equivalent provision.

SECTION 10. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality

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has filed its recommendations relating to this article with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

SECTION 11. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

ARTICLE \_\_. EDWARDS AQUIFER AUTHORITY

SECTION \_\_. Section 1.03(10), Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(10) "Existing user" means a person who has withdrawn and beneficially used underground water from the aquifer on or before June 28, 1996 [~~1, 1993~~].

SECTION \_\_. Article 1, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended by adding Section 1.081 to read as follows:

Sec. 1.081. FIRE CONTROL. To protect the water

ARTICLE 12. EDWARDS AQUIFER AUTHORITY

Same as Senate version.

Same as Senate version.

No equivalent provision.

kuykendall

No equivalent provision.

No equivalent provision.

No equivalent provision.

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quality of the aquifer, the board shall adopt rules regarding the control of fires in the aquifer's recharge zone. In adopting rules under this section, the board shall consult with fire departments and fire marshals with jurisdiction over the recharge zone.

SECTION \_\_. Section 1.11, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended by amending Subsection (f) and adding Subsection (f1) to read as follows:

(f) The authority may own, finance, design, [contract with a person who uses water from the aquifer for the authority or that person to] construct, operate, or [own, finance, and] maintain recharge [water supply] facilities. For a recharge facility in Uvalde or Medina County, the authority shall partner with a political subdivision of this state in whose territory the facility is or will be located to own, finance, design, construct, operate, or maintain the facility. [Management fees or special fees may not be used for purchasing or operating these facilities.] For the purpose of this subsection, "recharge [water supply] facility" means [includes] a dam, reservoir, [treatment facility, transmission facility,] or other method of recharge project and associated facilities, structures, or works but does not include a facility to recirculate water at Comal or San Marcos Springs.

(f-1) If the authority issues bonds to finance a recharge facility project under Subsection (f) of this section to be located outside Median and Uvalde Counties, the authority shall exempt the holders of permits for wells

No equivalent provision.

SECTION 12.01. Section 1.11, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended by amending Subsection (f) and adding Subsections (f1) and (f2) to read as follows:

(f) The authority may own, finance, design, [contract with a person who uses water from the aquifer for the authority or that person to] construct, operate, or [own, finance, and] maintain. recharge water supply] facilities.

[Management fees or special fees may not be used for purchasing or operating these facilities.] For the purpose of this subsection, "recharge [water supply] facility" means [includes] a dam, reservoir, [treatment facility, transmission facility,] or other method of recharge project and associated facilities, structures, or works but does not include a facility to recirculate water at Comal or San Marcos Springs.

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located in Medina and Uvalde Counties from any fee increase or assessment imposed by the authority to pay the principal of or interest on the bonds.

(f-1) The authority shall provide written notice of the intent to own, finance, design, construct, operate, or maintain recharge facilities to:

(1) each groundwater conservation district in the area in which the recharge facility will be located;

(2) the mayor of each municipality in the area in which the recharge facility will be located;

(3) the county judge of each county in the area in which the recharge facility will be located; and

(4) each member of the legislature who represents the area in which the proposed recharge facility will be located.

(f-2) Any entity within the county in which a recharge facility is to be constructed shall be provided opportunity for input and allowed to provide proposals for partnering with the authority to own, finance, design, construct, operate, or maintain the recharge facility.

No equivalent provision.

SECTION \_\_. Subsections (a), (c), (e), (f), and (h), Section 1.14, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, are amended to read as follows:

(a) Authorizations to withdraw water from the aquifer and all authorizations and rights to make a withdrawal under this Act shall be limited in accordance with this section to:

- (1) protect the water quality of the aquifer;
- (2) protect the water quality of the surface streams to

SECTION 12.02. Subsections (a), (c), (e), (f), and (h), Section 1.14, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, are amended to read as follows:

(a) Authorizations to withdraw water from the aquifer and all authorizations and rights to make a withdrawal under this Act shall be limited in accordance with this section to:

- (1) protect the water quality of the aquifer;
- (2) protect the water quality of the surface streams to

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which the aquifer provides springflow;  
(3) achieve water conservation;  
(4) maximize the beneficial use of water available for withdrawal from the aquifer;  
(5) recognize the extent of the hydro-geologic connection and interaction between surface water and groundwater;  
  
(6) protect aquatic and wildlife habitat;  
(7) ~~[(6)]~~ protect species that are designated as threatened or endangered under applicable federal or state law; and  
(8) ~~[(7)]~~ provide for instream uses, bays, and estuaries.  
(c) Except as provided by Subsections ~~[(d),]~~ (f) ~~[(f),]~~ and (h) of this section and Section 1.26 of this article, for the period beginning January 1, 2008, the amount of permitted withdrawals from the aquifer may not exceed or be less than 572,000 [400,000] acre-feet of water for each calendar year, which is the sum of all regular permits issued or for which an application was filed and issuance was pending action by the authority as of January 1, 2005.  
(e) The authority may not allow withdrawals from the aquifer through wells drilled after June 28, 1996 ~~[1, 1993, except additional water as provided by Subsection (d) and then on an interruptible basis].~~  
  
(f) If the level of the aquifer is equal to or greater than 660 ~~[650]~~ feet above mean sea level as measured at Well

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which the aquifer provides springflow;  
(3) achieve water conservation;  
(4) maximize the beneficial use of water available for withdrawal from the aquifer;  
(5) recognize the extent of the hydro-geologic connection and interaction between surface water and groundwater;  
(6) protect aquatic and wildlife habitat;  
(7) ~~[(6)]~~ protect species that are designated as threatened or endangered under applicable federal or state law; and  
(8) ~~[(7)]~~ provide for instream uses, bays, and estuaries.  
(c) Except as provided by Subsections ~~[(d),]~~ (f) ~~[(f),]~~ and (h) of this section and Section 1.26 of this article, for the period beginning January 1, 2008, the amount of permitted withdrawals from the aquifer may not exceed or be less than 572,000 [400,000] acre-feet of water for each calendar year, which is the sum of all regular permits issued or for which an application was filed and issuance was pending action by the authority as of January 1, 2005.  
(e) The authority may not allow withdrawals from the aquifer through wells drilled after June 1, 1993, except for replacement, test, or exempt wells or to the extent that the authority approves an amendment to an initial regular permit to authorize a change in the point of withdrawal under that permit [additional water as provided by Subsection (d) and then on an interruptible basis].  
(f) If the level of the aquifer is equal to or greater than 660 ~~[650]~~ feet above mean sea level as measured at Well J-17, the authority may authorize withdrawal from the



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J-17, the authority may authorize withdrawal from the San Antonio pool, on an uninterrupted basis, of permitted amounts. If the level of the aquifer is equal to or greater than 845 feet at Well J-27, the authority may authorize withdrawal from the Uvalde pool, on an uninterrupted basis, of permitted amounts. ~~[The authority shall limit the additional withdrawals to ensure that springflows are not affected during critical drought conditions.]~~

(h) To accomplish the purposes of this article, ~~[by June 1, 1994,]~~ the authority, through a program, shall implement and enforce water management practices, procedures, and methods to ensure that, not later than December 31, 2012, the continuous minimum springflows of the Comal Springs and the San Marcos Springs are maintained to protect endangered and threatened species to the extent required by federal law and to achieve other purposes provided by Subsection (a) of this section and Section 1.26 of this article. The authority from time to time as appropriate may revise the practices, procedures, and methods. To meet this requirement, the authority shall require:

(1) phased adjustments to [reductions in] the amount of water that may be used or withdrawn by existing users or categories of other users, including adjustments in accordance with the authority's critical period management plan established under Section 1.26 of this article; or

(2) implementation of alternative management practices,

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San Antonio pool, on an uninterrupted basis, of permitted amounts. If the level of the aquifer is equal to or greater than 845 feet at Well J-27, the authority may authorize withdrawal from the Uvalde pool, on an uninterrupted basis, of permitted amounts. ~~[The authority shall limit the additional withdrawals to ensure that springflows are not affected during critical drought conditions.]~~

(h) To accomplish the purposes of this article, ~~[by June 1, 1994,]~~ the authority, through a program, shall implement and enforce water management practices, procedures, and methods to ensure that, not later than December 31, 2012, the continuous minimum springflows of the Comal Springs and the San Marcos Springs are maintained to protect endangered and threatened species to the extent required by federal law and to achieve other purposes provided by Subsection (a) of this section and Section 1.26 of this article. The authority from time to time as appropriate may revise the practices, procedures, and methods. To meet this requirement, the authority shall require:

(1) phased adjustments to [reductions in] the amount of water that may be used or withdrawn by existing users or categories of other users, including adjustments in accordance with the authority's critical period management plan established under Section 1.26 of this article; or

(2) implementation of alternative management practices, procedures, and methods.

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No equivalent provision.

procedures, and methods.

SECTION \_\_. Section 1.16, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended by adding Subsection (a-1) and amending Subsection (g) to read as follows:

(a-1) An existing user who drilled an aquifer well after June 1, 1993, and who filed an application for historical use of groundwater from the aquifer during the historical period of June 1, 1993, through June 28, 1996, and has initiated an appeal or filed litigation against the authority before March 1, 2007, is qualified for an initial regular permit.

(g) The authority shall issue an initial regular permit without a term, and an initial regular permit remains in effect until the permit is abandoned or cancelled[~~or retired~~].

No equivalent provision.

SECTION \_\_. Article 1, Section 1.18(b), Chapter 626, Acts of 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(b) The authority may not consider or take action on an application relating to a proposed or existing well of which there is no evidence of actual beneficial use before June 28, 1996 [~~1, 1993~~], until a final determination has been made on all initial regular permit applications submitted on or before the initial application date of February 28, 1997 [~~March 1, 1994~~].

SECTION 12.03. Subsection (g), Section 1.16, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(g) The authority shall issue an initial regular permit without a term, and an initial regular permit remains in effect until the permit is abandoned or cancelled[~~or retired~~]

Same as Senate version.

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No equivalent provision.

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SECTION \_\_. Subsection (b), Section 1.19, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(b) Withdrawal of water under a term permit must be consistent with the authority's critical period management plan established under Section 1.26 of this article. A holder of a term permit may not withdraw water from the San Antonio pool of the aquifer unless:

(1) the level of the aquifer is higher than 675 [665] feet above sea level, as measured at Well J-17;

(2) the flow at Comal Springs as determined by Section 1.26(c) of this article is greater than 350 cubic feet per second; and

(3) the flow at San Marcos Springs as determined by Section 1.26(c) of this article is greater than 200 cubic feet per second.

No equivalent provision.

SECTION \_\_. Subsection (a), Section 1.22, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(a) The authority may acquire permitted rights to use water from the aquifer for the purposes of:

(1) holding those rights in trust for sale or transfer of the water or the rights to persons within the authority's jurisdiction who may use water from the aquifer;

(2) holding those rights in trust as a means of managing overall demand on the aquifer; or

(3) holding those rights for resale ~~[or retirement as a means of complying with pumping reduction]~~

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SECTION 12.04. Same as House version.

SECTION 12.05. Same as House version.

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No equivalent provision.

~~requirements under this article; or]  
[(4) retiring those rights, including those rights  
already permitted].~~

SECTION \_\_. Article 1, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended by amending Section 1.26 and adding Section 1.26A to read as follows:

Sec. 1.26. CRITICAL PERIOD MANAGEMENT PLAN. (a) After review of the recommendations received in the program document, as prescribed by Section 1.26A of this article, the ~~[The]~~ authority by rule shall adopt ~~[prepare and coordinate implementation of]~~ a ~~[plan for]~~ critical period management plan consistent with Sections 1.14(a), (f), and (h) of this article ~~[on or before September 1, 1995]~~. The critical period management plan shall be adopted by the authority no later than six months after the authority's receipt of the program document. On adoption of the critical period management plan, the authority shall provide a written report to the governor, lieutenant governor, and speaker of the house of representatives describing the actions taken in response to each recommendation and, for each recommendation not implemented, the reason it was not implemented. The plan ~~[mechanisms]~~ must:

- (1) distinguish between discretionary use and nondiscretionary use;
- (2) require reductions of all discretionary use to the maximum extent feasible;
- (3) require utility pricing, to the maximum extent

SECTION 12.06. Article 1, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended by amending Section 1.26 and adding Section 1.26A to read as follows:

Sec. 1.26. CRITICAL PERIOD MANAGEMENT PLAN. (a) After review of the recommendations received in the program document, as prescribed by Section 1.26A of this article, the ~~[The]~~ authority by rule shall adopt ~~[prepare and coordinate implementation of]~~ a ~~[plan for]~~ critical period management plan consistent with Sections 1.14(a), (f), and (h) of this article ~~[on or before September 1, 1995]~~. The critical period management plan shall be adopted by the authority no later than six months after the authority's receipt of the program document. On adoption of the critical period management plan, the authority shall provide a written report to the governor, lieutenant governor, and speaker of the house of representatives describing the actions taken in response to each recommendation and, for each recommendation not implemented, the reason it was not implemented. The plan ~~[mechanisms]~~ must:

- (1) distinguish between discretionary use and nondiscretionary use;
- (2) require reductions of all discretionary use to the maximum extent feasible;
- (3) require utility pricing, to the maximum extent

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feasible, to limit discretionary use by the customers of water utilities; ~~and~~

(4) require reduction of nondiscretionary use by permitted or contractual users, to the extent further reductions are necessary, in the reverse order of the following water use preferences:

(A)municipal, domestic, and livestock;

(B)industrial and crop irrigation;

(C)residential landscape irrigation;

(D)recreational and pleasure; and

(E)other uses that are authorized by law; and

(5) allow irrigation use to continue in order to permit the user to complete the irrigation of a crop in progress.

(b) In this section, "MSL" means the elevation above mean sea level, measured in feet, of the surface of the water in a well, and "CFS" means cubic feet per second. Not later than January 1, 2008, the authority shall, by rule, adopt and enforce a critical period management plan with withdrawal reduction percentages in the amounts indicated in Tables 1 and 2 whether according to the index well levels or the Comal or San Marcos Springs flow as applicable, for a total in critical period Stage IV of 40 percent of the permitted withdrawals under Table 1 and 35 percent under Table 2:

TABLE 1				
CRITICAL PERIOD WITHDRAWAL REDUCTION STAGES FOR THE SAN ANTONIO POOL				
Comal Springs Flow CFS	San Marcos Springs Flow CFS	Index Well J-17 Level MSL	Critical Period Stage	Withdrawal Reduction-San Antonio Pool
<225	<96	<660	I	20%

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feasible, to limit discretionary use by the customers of water utilities; ~~and~~

(4) require reduction of nondiscretionary use by permitted or contractual users, to the extent further reductions are necessary, in the reverse order of the following water use preferences:

(A) municipal, domestic, and livestock;

(B) industrial and crop irrigation;

(C) residential landscape irrigation;

(D) recreational and pleasure; and

(E) other uses that are authorized by law; and

(5) allow irrigation use to continue in order to permit the user to complete the irrigation of a crop in progress.

(b) In this section, "MSL" means the elevation above mean sea level, measured in feet, of the surface of the water in a well, and "CFS" means cubic feet per second. Not later than January 1, 2008, the authority shall, by rule, adopt and enforce a critical period management plan with withdrawal reduction percentages in the amounts indicated in Tables 1 and 2 whether according to the index well levels or the Comal or San Marcos Springs flow as applicable, for a total in critical period Stage IV of 40 percent of the permitted withdrawals under Table 1 and 35 percent under Table 2:

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<225	<96	<660	I	20%

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<200	<80	<650	II	30%
<150	N/A	<640	III	35%
<100	N/A	<630	IV	40%

TABLE 2

CRITICAL PERIOD WITHDRAWAL REDUCTION STAGE  
FOR THE UVALDE POOL

<u>Withdrawal Reduction</u>	<u>Index Well J-27</u>	<u>Critical Period</u>
<u>Uvalde Pool</u>	<u>Level MSL</u>	<u>Stage</u>
N/A	---	I
5%	<850	II
20%	<845	III
35%	<842	IV

(c) A change to a critical period stage with higher withdrawal reduction percentages is triggered if the 10-day average of daily springflows at the Comal Springs or the San Marcos Springs or the 10-day average of daily aquifer levels at the J-17 Index Well drops below the lowest number of any of the trigger levels indicated in Table 1. A change to a critical period stage with lower withdrawal reduction percentages is triggered only when the 10-day average of daily springflows at the Comal Springs and the San Marcos Springs and the 10-day average of daily aquifer levels at the J-17 Index Well are all above the same stage trigger level. The authority may adjust the withdrawal percentages for Stage IV in Tables 1 and 2 if necessary in order to comply with Subsection (d) or (e) of this section.

(d) Beginning September 1, 2007, the authority may not require the volume of permitted withdrawals to be less than an annualized rate of 340,000 acre-feet, under the critical period Stage IV.

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<200	<80	<650	II	30%
<150	N/A	<640	III	35%
<100	N/A	<630	IV	40%

TABLE 2

CRITICAL PERIOD WITHDRAWAL REDUCTION STAGES  
FOR THE UVALDE POOL

<u>Withdrawal Reduction-</u>	<u>Index Well J-27</u>	<u>Critical Period</u>
<u>Uvalde Pool</u>	<u>Level MSL</u>	<u>Stage</u>
N/A	---	I
5%	<850	II
20%	<845	III
35%	<842	IV

(c) A change to a critical period stage with higher withdrawal reduction percentages is triggered if the 10-day average of daily springflows at the Comal Springs or the San Marcos Springs or the 10-day average of daily aquifer levels at the J-17 Index Well drops below the lowest number of any of the trigger levels indicated in Table 1. A change to a critical period stage with lower withdrawal reduction percentages is triggered only when the 10-day average of daily springflows at the Comal Springs and the San Marcos Springs and the 10-day average of daily aquifer levels at the J-17 Index Well are all above the same stage trigger level. The authority may adjust the withdrawal percentages for Stage IV in Tables 1 and 2 if necessary in order to comply with Subsection (d) or (e) of this section.

(d) Beginning September 1, 2007, the authority may not require the volume of permitted withdrawals to be less than an annualized rate of 340,000 acre-feet, under critical period Stage IV.

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(e) After January 1, 2013, the authority may not require the volume of permitted withdrawals to be less than an annualized rate of 320,000 acre-feet, under critical period Stage IV unless, after review and consideration of the recommendations provided under Section 1.26A of this article, the authority determines that a different volume of withdrawals is consistent with Sections 1.14(a), (f), and (h) of this article in maintaining protection for listed, protected and endangered species associated with the aquifer to the extent required by federal law.

(f) Notwithstanding Subsections (d) and (e) of this section, the authority may require further withdrawal reductions before reviewing and considering the recommendations provided under Section 1.26A of this article if the discharge of Comal Springs or San Marcos Springs declines an additional 15 percent after Stage IV withdrawal reductions are imposed under Subsection (b) of this section. This subsection expires on the date that critical period management plan rules adopted by the authority based on the recommendations provided under Section 1.26A of this article take effect.

(g) Notwithstanding the existence of any stage of an interim or final critical period adopted by the authority under this section, a person authorized to withdraw groundwater from the aquifer for irrigation purposes shall, without regard to the withdrawal reductions prescribed for that stage, be allowed to finish a crop already planted in the calendar year during which the critical period is in effect.

(e) After January 1, 2013, the authority may not require the volume of permitted withdrawals to be less than an annualized rate of 320,000 acre-feet, under critical period Stage IV unless, after review and consideration of the recommendations provided under Section 1.26A of this article, the authority determines that a different volume of withdrawals is consistent with Sections 1.14(a), (f), and (h) of this article in maintaining protection for federally listed threatened and endangered species associated with the aquifer to the extent required by federal law.

(f) Notwithstanding Subsections (d) and (e) of this section, the authority may require further withdrawal reductions before reviewing and considering the recommendations provided under Section 1.26A of this article if the discharge of Comal Springs or San Marcos Springs declines an additional 15 percent after Stage IV withdrawal reductions are imposed under Subsection (b) of this section. This subsection expires on the date that critical period management plan rules adopted by the authority based on the recommendations provided under Section 1.26A of this article take effect.

(g) Notwithstanding the existence of any stage of an interim or final critical period adopted by the authority under this section, a person authorized to withdraw groundwater from the aquifer for irrigation purposes shall, without regard to the withdrawal reductions prescribed for that stage, be allowed to finish a crop already planted in the calendar year during which the critical period is in effect.

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(h) Notwithstanding the existence of state I or II of an interim or final critical period adopted by the authority under this section, a person authorized to withdraw groundwater from the aquifer for irrigation purposes shall, without regard to the withdrawal reductions prescribed for that stage, be allowed to continue withdrawals for irrigation purposes.

Sec. 1.26A. DEVELOPMENT OF WITHDRAWAL REDUCTION LEVELS AND STAGES FOR CRITICAL PERIOD MANAGEMENT THROUGH RECOVERY IMPLEMENTATION PROGRAM. (a) The authority, with the assistance of Texas A&M University, shall cooperatively develop a recovery implementation program through a facilitated, consensus-based process that involves input from the United States Fish and Wildlife Service, other appropriate federal agencies, and all interested stakeholders, including those listed under Subsection (e)(1) of this section. The recovery implementation program shall be developed for the species that are:

- (1) listed as threatened or endangered species under federal law; and
- (2) associated with the aquifer.

(b) The authority shall enter into a memorandum of agreement with the United States Fish and Wildlife Service, other appropriate federal agencies, the Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Department of Agriculture, the Texas Water Development Board, and other stakeholders in order to develop, not later than December 31, 2007, a

Sec. 1.26A. DEVELOPMENT OF WITHDRAWAL REDUCTION LEVELS AND STAGES FOR CRITICAL PERIOD MANAGEMENT THROUGH RECOVERY IMPLEMENTATION PROGRAM. (a) The authority, with the assistance of Texas A&M University, shall cooperatively develop a recovery implementation program through a facilitated, consensus-based process that involves input from the United States Fish and Wildlife Service, other appropriate federal agencies, and all interested stakeholders, including those listed under Subsection (e)(1) of this section. The recovery implementation program shall be developed for the species that are:

- (1) listed as threatened or endangered species under federal law; and
- (2) associated with the aquifer.

(b) The authority shall enter into a memorandum of agreement with the United States Fish and Wildlife Service, other appropriate federal agencies, the Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Department of Agriculture, the Texas Water Development Board, and other stakeholders not later than December 31, 2007, in order to develop a



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program document that may be in the form of a habitat conservation plan used in issuance of an incidental take permit as outlined in Subsection (d) of this section.

(c) The authority shall enter into an implementing agreement with the United States Fish and Wildlife Service, other appropriate federal agencies, the Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Department of Agriculture, the Texas Water Development Board, and other stakeholders to develop a program document that may be in the form of a habitat conservation plan used in issuance of an incidental take permit as outlined in Subsection (d) of this section not later than December 31, 2009.

(d) The authority, the Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Department of Agriculture, the Texas Water Development Board, and other stakeholders shall jointly prepare a program document that may be in the form of a habitat conservation plan used in issuance of an incidental take permit with the United States secretary of the interior, through the United States Fish and Wildlife Service and other appropriate federal agencies, under Section 4 or Section 6, Endangered Species Act of 1973 (16 U.S.C. Section 1533 or 1535), as applicable, based on the program developed under Subsection (a) of this section. The program document shall:

(1) provide recommendations for withdrawal adjustments based on a combination of spring discharge rates of the San Marcos and Comal Springs and levels at the J-17

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program document that may be in the form of a habitat conservation plan used in issuance of an incidental take permit as outlined in Subsection (d) of this section.

(c) The authority shall enter into an implementing agreement with the United States Fish and Wildlife Service, other appropriate federal agencies, the Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Department of Agriculture, the Texas Water Development Board, and other stakeholders to develop, a program document that may be in the form of a habitat conservation plan used in issuance of an incidental take permit as outlined in Subsection (d) of this section not later than December 31, 2009.

(d) The authority, the Texas Commission on Environmental Quality, the Parks and Wildlife Department, the Department of Agriculture, the Texas Water Development Board, and other stakeholders shall jointly prepare a program document that may be in the form of a habitat conservation plan used in issuance of an incidental take permit with the United States secretary of the interior, through the United States Fish and Wildlife Service and other appropriate federal agencies, under Section 4 or Section 6, Endangered Species Act of 1973 (16 U.S.C. Section 1533 or 1535), as applicable, based on the program developed under Subsection (a) of this section. The program document shall:

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and J-27 wells during critical periods to ensure that federally listed, threatened, and endangered species associated with the Edwards Aquifer will be protected at all times, including throughout a repeat of the drought of record;

(2) include provisions to pursue cooperative and grant funding to the extent available from all state, federal, and other sources for eligible programs included in the cooperative agreement, under Subsection (c) of this section, including funding for a program director; and

(3) be approved and executed by the authority, the Commission, the Parks and Wildlife Department, the Department of Agriculture, the Texas Water Development Board and the United States Fish and Wildlife Service not later than September 1, 2012, and the agreement shall take effect December 31, 2012.

(e) Texas A&M University shall assist in the creation of a steering committee to oversee and assist in the development of the cooperative agreement under Subsection (c) of this section. The steering committee must be created not later than September 30, 2007. The initial steering committee shall be composed of:

(1) a representative of each of the following entities, as appointed by the governing body of that entity:

(A) the Edwards Aquifer Authority;

(B) the Texas Commission on Environmental Quality;

(C) the Parks and Wildlife Department;

(D) the Department of Agriculture;

(E) the Texas Water Development Board

(F) the San Antonio Water System;

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the J-17 and J-27 wells during critical periods to ensure that federally listed, threatened, and endangered species associated with the Edwards Aquifer will be protected at all times, including throughout a repeat of the drought of record;

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(C) the Parks and Wildlife Department;

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(E) the Texas Water Development Board;

(F) the San Antonio Water System;

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(G) the Guadalupe-Blanco River Authority;  
(H) the San River Authority;  
(I) the South Central Texas Water Advisory Committee;  
and  
(J) Bexar County;  
(K) CPS Energy; and  
(L) Bexar Metropolitan Water District or its successor;  
and  
(2) nine other persons who respectively must be:  
(A) a representative of a holder of an initial regular  
permit issued to a retail public utility located west of  
Bexar County, to be appointed by the authority;  
(B) a representative of a holder of an initial regular  
permit issued by the authority for industrial purposes, to  
be appointed by the authority;  
(C) a representative of a holder of an industrial surface  
water right in the Guadalupe River Basin, to be  
appointed by the Texas Commission on Environmental  
Quality;  
(D) a representative of a holder of a municipal surface  
water right in the Guadalupe River Basin, to be  
appointed by the Texas Commission on Environmental  
Quality;  
(E) a representative of a retail public utility in whose  
service area the Comal Springs or San Marcos Springs is  
located;  
(F) a representative of a holder of an initial regular  
permit issued by the authority for irrigation, to be  
appointed by the commissioner of agriculture;  
(G) a representative of an agricultural producer from the

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(G) the Guadalupe-Blanco River Authority;  
(H) the San Antonio River Authority;  
(I) the South Central Texas Water Advisory Committee;  
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(C) a representative of a holder of an industrial surface  
water right in the Guadalupe River Basin, to be  
appointed by the Texas Commission on Environmental  
Quality;  
(D) a representative of a holder of a municipal surface  
water right in the Guadalupe River Basin, to be  
appointed by the Texas Commission on Environmental  
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(E) a representative of a retail public utility in whose  
service area the Comal Springs or San Marcos Springs is  
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permit issued by the authority for irrigation, to be  
appointed by the commissioner of agriculture;  
(G) a representative of an agricultural producer from the

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Edwards Aquifer region, to be appointed by the commissioner of agriculture;  
(H) a representative of environmental interests from the Texas Living Waters Project, to be appointed by the governing body of that project; and  
(I) a representative of recreational interests in the Guadalupe River Basin, to be appointed by the Parks and Wildlife Commission.  
(f) The steering committee shall work with Texas A&M University to:  
(1) establish a regular meeting schedule and publish that schedule to encourage public participation; and  
(2) not later than October 31, 2007, hire a program director to be housed at Texas A&M University.  
(g) Texas A&M University may accept outside funding to pay the salary and expenses of the program director hired under this section and any expenses associated with the university's participation in the creation of the steering committee or subcommittees established by the steering committee.  
(h) Where reasonably practicable or as required by law, any meeting of the steering committee, the Edwards Aquifer area expert science subcommittee, or another subcommittee established by the steering committee must be open to the public.  
(i) The steering committee appointed under this section shall appoint an Edwards Aquifer area expert science subcommittee not later than December 31, 2007. The expert science subcommittee must be composed of an odd number of not fewer than seven or more than 15

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(H) a representative of environmental interests from the Texas Living Waters Project, to be appointed by the governing body of that project; and  
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(h) Where reasonably practicable or as required by law, any meeting of the steering committee, the Edwards Aquifer area expert science subcommittee, or another subcommittee established by the steering committee must be open to the public.  
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members who have technical expertise regarding the Edwards Aquifer system, the threatened and endangered species that inhabit that system, springflows, or the development of withdrawal limitations. The Bureau of Economic Geology of The University of Texas at Austin and the River Systems Institute at Texas State University shall assist the expert science subcommittee. Chapter 2110, Government Code, does not apply to the size, composition, or duration of the expert science subcommittee.

(j) The Edwards Aquifer area expert science subcommittee shall, among other things, analyze species requirements in relation to spring discharge rates and aquifer levels as a function of recharge and withdrawal levels. Based on that analysis and the elements required to be considered by the authority under Section 1.14 of this article, the expert science subcommittee shall, through a collaborative process designed to achieve consensus, develop recommendations for withdrawal reduction levels and stages for critical period management including, if appropriate, establishing separate and possibly different withdrawal reduction levels and stages for critical period management for different pools of the aquifer needed to maintain target spring discharge and aquifer levels. The expert science subcommittee shall submit its recommendations to the steering committee and all other stakeholders involved in the recovery implementation program under this section.

(k) The initial recommendations of the Edwards Aquifer area expert science subcommittee must be completed

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members who have technical expertise regarding the Edwards Aquifer system, the threatened and endangered species that inhabit that system, springflows, or the development of withdrawal limitations. The Bureau of Economic Geology of The University of Texas at Austin and the River Systems Institute at Texas State University shall assist the expert science subcommittee. Chapter 2110, Government Code, does not apply to the size, composition, or duration of the expert science subcommittee.

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(k) The initial recommendations of the Edwards Aquifer area expert science subcommittee must be completed and

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and submitted to the steering committee and other stakeholders not later than December 31, 2008, and should include an evaluation:

(1) of the option of designating a separate San Marcos pool, of how such a designation would affect existing pools, and of the need for an additional well to measure the San Marcos pool, if designated;

(2) of the necessity to maintain minimum springflows, including a specific review of the necessity to maintain a flow to protect the federally threatened and endangered species; and

(3) as to whether adjustments in the trigger levels for the San Marcos Springs flow for the San Antonio pool should be made.

(l) In developing its recommendations, the Edwards Aquifer area expert science subcommittee shall:

(1) consider all reasonably available science, including any Edwards Aquifer-specific studies, and base its recommendations solely on the best science available; and

(2) operate on a consensus basis to the maximum extent possible.

(m) After development of the cooperative agreement, the steering committee, with the assistance of the Edwards Aquifer area expert science subcommittee and with input from the other recovery implementation program stakeholders, shall prepare and submit recommendations to the authority. The recommendations must:

(1) include a review of the critical period management

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submitted to the Steering committee and other stakeholders not later than December 31, 2008, and should include an evaluation:

(1) of the option of designating a separate San Marcos pool, of how such a designation would affect existing pools, and of the need for an additional well to measure the San Marcos pool, if designated;

(2) of the necessity to maintain minimum springflows, including a specific review of the necessity to maintain a flow to protect the federally threatened and endangered species; and

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(2) operate on a consensus basis to the maximum extent possible.

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(1) include a review of the critical period management

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plan, to occur at least once every five years;  
(2) include specific monitoring, studies, and activities that take into account changed conditions and information that more accurately reflects the importance of critical period management; and  
(3) establish a schedule for continuing the validation or refinement of the critical period management plan adopted by the authority and the strategies to achieve the program and cooperative agreement described by this section.  
(n) In this subsection, "recharge facility" means a dam, reservoir, or other method of recharge project and associated facilities, structures, or works but does not include facilities designed to recirculate water at Comal or San Marcos Springs. The steering committee shall establish a recharge facility feasibility subcommittee to:  
(1) assess the need for the authority or any other entity to own, finance, design, construct, operate, or maintain recharge facilities;  
(2) formulate plans to allow the authority or any other entity to own, finance, design, construct, operate, or maintain recharge facilities;  
(3) make recommendations to the steering committee as to how to calculate the amount of additional water that is made available for use from a recharge project including during times of critical period reductions;  
(4) maximize available federal funding for the authority or any other entity to own, finance, design, construct, operate, or maintain recharge facilities; and  
(5) evaluate the financing of recharge facilities, including

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plan, to occur at least once every five years;  
(2) include specific monitoring, studies, and activities that take into account changed conditions and information that more accurately reflects the importance of critical period management; and  
(3) establish a schedule for continuing the validation or refinement of the critical period management plan adopted by the authority and the strategies to achieve the program and cooperative agreement described by this section.  
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(2) formulate plans to allow the authority or any other entity to own, finance, design, construct, operate, or maintain recharge facilities;  
(3) make recommendations to the steering committee as to how to calculate the amount of additional water that is made available for use from a recharge project including during times of critical period reductions;  
(4) maximize available federal funding for the authority or any other entity to own, finance, design, construct, operate, or maintain recharge facilities; and  
(5) evaluate the financing of recharge facilities,

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the use of management fees or special fees to be used for purchasing or operating the facilities.

(o) The steering committee may establish other subcommittees as necessary, including a hydrology subcommittee, a community outreach and education subcommittee, and a water supply subcommittee.

(p) On execution of the memorandum of agreement described by Subsection (b) of this section, the steering committee described by Subsection (e) of this section may, by majority vote of its members, vote to add members to the steering committee, change the makeup of the committee, or dissolve the committee. If the steering committee is dissolved, the program director hired under Subsection (f) of this section shall assume the duties of the steering committee.

(q) The authority shall provide an annual report to the governor, lieutenant governor, and speaker of the house of representatives not later than January 1 of each year that details:

(1) the status of the recovery implementation program development process;

(2) the likelihood of completion of the recovery implementation program and the cooperative agreement described by Subsection (c) of this section;

(3) the extent to which the recommendations of the Edwards Aquifer area expert science subcommittee are being considered and implemented by the authority;

(4) any other actions that need to be taken in response to each recommendation;

(5) reasons explaining why any recommendation

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including the use of management fees or special fees to be used for purchasing or operating the facilities.

(o) The steering committee may establish other subcommittees as necessary, including a hydrology subcommittee, a community outreach and education subcommittee, and a water supply subcommittee.

(p) On execution of the memorandum of agreement described by Subsection (b) of this section, the steering committee described by Subsection (e) of this section may, by majority vote of its members, vote to add members to the steering committee, change the makeup of the committee, or dissolve the committee. If the steering committee is dissolved, the program director hired under Subsection (f) of this section shall assume the duties of the steering committee.

(q) The authority shall provide an annual report to the governor, lieutenant governor, and speaker of the house of representatives not later than January 1 of each year that details:

(1) the status of the recovery implementation program development process;

(2) the likelihood of completion of the recovery implementation program and the cooperative agreement described by Subsection (c) of this section;

(3) the extent to which the recommendations of the Edwards Aquifer area expert science subcommittee are being considered and implemented by the authority;

(4) any other actions that need to be taken in response to each recommendation;

(5) reasons explaining why any recommendation



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received has not been implemented; and  
(6) any other issues the authority considers of value for  
the efficient and effective completion of the program and  
the cooperative agreement under this section.

received has not been implemented; and  
(6) any other issues the authority considers of value for  
the efficient and effective completion of the program and  
the cooperative agreement under this section.

No equivalent provision.

SECTION \_\_. Subsections (b), (h), and (i), Section 1.29, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, are amended to read as follows:

(b) The authority shall assess equitable aquifer management fees based on aquifer use under the water management plan to finance its administrative expenses and programs authorized under this article. Each water district governed by Chapter 36 [52], Water Code, that is within the authority's boundaries may contract with the authority to pay expenses of the authority through taxes in lieu of user fees to be paid by water users in the district. The contract must provide that the district will pay an amount equal to the amount that the water users in the district would have paid through user fees. The authority may not collect a total amount of fees and taxes that is more than is reasonably necessary for the administration of the authority.

(h) Fees assessed by the authority may not be used to fund the cost of reducing withdrawals or retiring permits or of judgments or claims related to withdrawals or permit retirements [Special fees collected under Subsection (c) or (d) of this section may not be used to finance a surface water supply reservoir project].

(i) The authority and other stakeholders, including state agencies, listed under Section 1.26A of this article shall

SECTION 12.07. Subsections (b), (h), and (i), Section 1.29, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, are amended to read as follows:

(b) The authority shall assess equitable aquifer management fees based on aquifer use under the water management plan to finance its administrative expenses and programs authorized under this article. Each water district governed by Chapter 36 [52], Water Code, that is within the authority's boundaries may contract with the authority to pay expenses of the authority through taxes in lieu of user fees to be paid by water users in the district. The contract must provide that the district will pay an amount equal to the amount that the water users in the district would have paid through user fees. The authority may not collect a total amount of fees and taxes that is more than is reasonably necessary for the administration of the authority.

(h) Fees assessed by the authority may not be used to fund the cost of reducing withdrawals or retiring permits or of judgments or claims related to withdrawals or permit retirements [Special fees collected under Subsection (c) or (d) of this section may not be used to finance a surface water Supply reservoir project].

(i) The authority and other stakeholders, including state agencies, listed under Section 1.26A of this article shall

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provide money as necessary[, ~~but not to exceed five percent of the money collected under Subsection (d) of this section,~~] to finance the activities of the steering committee and any subcommittees appointed by the steering committee and the program director of the recovery implementation program under Section 1.26A of this article. The authority shall provide, as necessary, up to \$75,000 annually, adjusted for changes in the consumer price index, to finance the South Central Texas Water Advisory Committee's administrative expenses and programs authorized under this article.

provide money as necessary[, ~~but not to exceed five percent of the money collected under Subsection (d) of this Section,~~] to finance the activities of the steering committee and any subcommittees appointed by the steering committee and the program director of the recovery implementation program under Section 1.26A of this article. The authority shall provide, as necessary, up to \$75,000 annually, adjusted for changes in the consumer price index, to finance the South Central Texas Water Advisory Committee's administrative expenses and programs authorized under this article.

No equivalent provision.

SECTION \_\_. Subsection (a), Section 1.45, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(a) The authority may own, finance, design, construct, [build or] operate, and maintain recharge dams and associated facilities, structures, or works in the contributing or recharge area of the aquifer if the recharge is made to increase the yield of the aquifer, [and] the recharge project does not impair senior water rights or vested riparian rights, and the recharge project is not designed to recirculate water at Comal or San Marcos Springs.

SECTION 12.08. Subsection (a), Section 1.45, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(a) The authority may own, finance, design, construct, [build or] operate, and maintain recharge dams and associated facilities, structures, or works in the contributing or recharge area of the aquifer if the recharge is made to increase the yield of the aquifer, [and] the recharge project does not impair senior water rights or vested riparian rights, and the recharge project is not designed to recirculate water at Comal or San Marcos Springs.

No equivalent provision.

SECTION \_\_. Subsections (b) and (d), Section 1.14, Section 1.21, and Subsections (a), (c), and (d), Section 1.29, Chapter 626, Acts of the 73rd Legislature, Regular

SECTION 12.09. Subsections (b) and (d), Section 1.14, Section 1.21, and Subsections (a), (c), and (d), Section 1.29, Chapter 626, Acts of the 73rd Legislature, Regular

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Session, 1993, are repealed.

Session, 1993, are repealed.

No equivalent provision.

SECTION \_\_. (a) Before January 1, 2012, a suit may not be instituted in a state court contesting:

- (1) the validity or implementation of this Act; or
- (2) the groundwater withdrawal amounts recognized in Section 3 of this Act.

(b) If applicable, a party that files a suit in any court shall be automatically removed from the steering committee established under Section 1.26A, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, as added by this Act.

(c) A suit against the Edwards Aquifer Authority may not be instituted or maintained by a person who owns, holds, or uses a surface water right and claims injury or potential injury to that right for any reason, including any actions taken by the Edwards Aquifer Authority to implement or enforce Article 1, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, as amended. This section does not apply to suits brought pursuant to Section 1.45, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993.

SECTION 12.10. (a) Before January 1, 2012, a suit may not be instituted in a state court contesting:

- (1) the validity or implementation of this article; or
- (2) the groundwater withdrawal amounts recognized in Section 1.14, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, as amended by this Act.

(b) If applicable, a party that files a suit in any court shall be automatically removed from the steering committee established under Section 1.26A, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, as added by this Act.

(c) A suit against the Edwards Aquifer Authority may not be instituted or maintained by a person who owns, holds, or uses a surface water right and claims injury or potential injury to that right for any reason, including any actions taken by the Edwards Aquifer Authority to implement or enforce Article 1, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993, as amended. This section does not apply to suits brought pursuant to Section 1.45, Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993.

No equivalent provision.

SECTION \_\_. The change in law made by this Act applies only to a cause of action filed on or after the effective date of this Act. A cause of action that is filed before the effective date of this Act is governed by the law in effect immediately before the effective date of this

SECTION 12.11. The change in law made by this article applies only to a cause of action filed on or after the effective date of this article. A cause of action that is filed before the effective date of this article is governed by the law in effect immediately before the effective date

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No equivalent provision.

Act, and that law is continued in effect for that purpose.

of this article, and that law is continued in effect for that purpose.

SECTION \_\_. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

SECTION <sup>12.12</sup> This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

No equivalent provision.

ARTICLE 5A.

Same as Senate version.

No equivalent provision.

SECTIONS 5A.01-5A.13.

Same as Senate version.

No equivalent provision.

ARTICLE 5B.

Same as Senate version.

No equivalent provision.

SECTIONS 5B.01-5B.07.

Same as Senate version.

No equivalent provision.

ARTICLE 5C.

Same as Senate version.

No equivalent provision.

SECTIONS 5C.01-5C.05.

Same as Senate version.

No equivalent provision.

ARTICLE \_\_. REGULATING CERTAIN  
SUBDIVISIONS

No equivalent provision.

No equivalent provision.

SECTION \_\_.01. Section 212.012, Local Government Code, is amended by amending Subsections (a), (c), (d), (e), (f), (h), and (i) and adding Subsections (j) and (k) to read as follows:

No equivalent provision.

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(a) Except as provided by Subsection (c), (d), or (j) ~~[Subsection (e)]~~, an entity described by Subsection (b) may not serve or connect any land with water, sewer, electricity, gas, or other utility service unless the entity has been presented with or otherwise holds a certificate applicable to the land issued under Section 212.0115.

(c) An entity described by Subsection (b) may serve or connect land with water, sewer, electricity, gas, or other utility service regardless of whether the entity is presented with or otherwise holds a certificate applicable to the land issued under Section 212.0115 if:

(1) the land is covered by a development plat approved under Subchapter B or under an ordinance or rule relating to the development plat;

(2) the land was first served or connected with service by an entity described by Subsection (b)(1), (b)(2), or (b)(3) before September 1, 1987; or

(3) the land was first served or connected with service by an entity described by Subsection (b)(4), (b)(5), or (b)(6) before September 1, 1989; ~~or~~

~~[(4) the municipal authority responsible for approving plats issues a certificate stating that:~~

~~[(A) the land:~~

~~[(i) was sold or conveyed to the person requesting service by any means of conveyance, including a contract for deed or executory contract, before:~~

~~[(a) September 1, 1995, in a county defined under Section 232.022(a)(1); or~~

~~[(b) September 1, 2005, in a county defined under Section 232.022(a)(2);~~

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~~[(ii) is located in a subdivision in which the entity has previously provided service;~~  
~~[(iii) is located outside the limits of the municipality;~~  
~~[(iv) is located in a county to which Subchapter B, Chapter 232, applies; and~~  
~~[(v) is the site of construction of a residence, evidenced by at least the existence of a completed foundation, that was begun on or before:~~  
~~[(a) May 1, 1997, in a county defined under Section 232.022(a)(1); or~~  
~~[(b) September 1, 2005, in a county defined under Section 232.022(a)(2); or~~  
~~[(B) the land was not subdivided after September 1, 1995, in a county defined under Section 232.022(a)(1), or September 1, 2005, in a county defined under Section 232.022(a)(2), and:~~  
~~[(i) water service is available within 750 feet of the subdivided land; or~~  
~~[(ii) water service is available more than 750 feet from the subdivided land and the extension of water service to the land may be feasible, subject to a final determination by the water service provider].~~  
(d) In a county to which Subchapter B, Chapter 232, applies, an entity described by Subsection (b) may serve or connect land with water, sewer, electricity, gas, or other utility service that is located in the extraterritorial jurisdiction of a municipality regardless of whether the entity is presented with or otherwise holds a certificate applicable to the land issued under Section 212.0115, if the municipal authority responsible for approving plats

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issues a certificate stating that:

(1) the subdivided land:

(A) was sold or conveyed by a subdivider or developer by any means of conveyance, including a contract for deed or executory contract, before:

(i) September 1, 1995, in a county defined under Section 232.022(a)(1);

(ii) September 1, 1999, in a county defined under Section 232.022(a)(1) if, on August 31, 1999, the subdivided land was located in the extraterritorial jurisdiction of a municipality as determined by Chapter 42; or

(iii) September 1, 2005, in a county defined under Section 232.022(a)(2);

(B) has not been subdivided after September 1, 1995, September 1, 1999, or September 1, 2005, as applicable under Paragraph (A);

(C) is the site of construction of a residence, evidenced by at least the existence of a completed foundation, that was begun on or before:

(i) May 1, 2003, in a county defined under Section 232.022(a)(1); or

(ii) September 1, 2005, in a county defined under Section 232.022(a)(2); and

(D) has had adequate sewer services installed to service the lot or dwelling;

(2) the subdivided land is a lot of record as defined by Section 232.021(6-a) that is located in a county defined by Section 232.022(a)(1) and has adequate sewer services installed that are fully operable to service the lot

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or dwelling; or  
(3) the land was not subdivided after September 1, 1995,  
in a county defined under Section 232.022(a)(1), or  
September 1, 2005, in a county defined under Section  
232.022(a)(2), and:  
(A) water service is available within 750 feet of the  
subdivided land; or  
(B) water service is available more than 750 feet from  
the subdivided land and the extension of water service to  
the land may be feasible, subject to a final determination  
by the water service provider.  
(e) An entity described by Subsection (b) may provide  
utility service to land described by Subsection (d)(1), (2),  
or (3) [Subsection (e)(4)(A)] only if the person  
requesting service:  
(1) is not the land's subdivider or developer or the  
subdivider's or developer's agent; and  
(2) provides to the entity a certificate described by  
Subsection (d) [(e)(4)(A)].  
(f) [(e)] A person requesting service may obtain a  
certificate under Subsection (d)(1), (2), or (3)  
[Subsection (e)(4)(A)] only if the person is the owner or  
purchaser of the subdivided land and provides to the  
municipal authority responsible for approving plats  
documentation containing [either]:  
(1) a copy of the means of conveyance or other  
documents that show that the land was sold or conveyed  
by a subdivider or developer [to the person requesting  
service] before September 1, 1995, before September 1,  
1999, or before September 1, 2005, as applicable under



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~~Subsection (d)[, and a notarized affidavit by that person that states that construction of a residence on the land, evidenced by at least the existence of a completed foundation, was begun on or before May 1, 1997, or on or before September 1, 2005, as applicable]; [or]~~

(2) for a certificate issued under Subsection (d)(1), a notarized affidavit by the person requesting service that states that [the property was sold or conveyed to that person before September 1, 1995, or before September 1, 2005, as applicable, and that] construction of a residence on the land, evidenced by at least the existence of a completed foundation, was begun on or before May 1, 2003, in a county defined by Section 232.022(a)(1) or September 1, 2005, in a county defined by Section 232.022(a)(2), and the request for utility connection or service is to connect or serve a residence described by Subsection (d)(1)(C);

(3) a notarized affidavit by the person requesting service that states that the subdivided land has not been further subdivided after September 1, 1995, September 1, 1999, or September 1, 2005, as applicable under Subsection (d); and

(4) evidence that adequate sewer service or facilities have been installed and are fully operable to service the lot or dwelling from an entity described by Subsection (b) or the authorized agent responsible for the licensing or permitting of on-site sewage facilities under Chapter 366, Health and Safety Code. [May 1, 1997, or on or before September 1, 2005, as applicable.

~~[(f) A person requesting service may obtain a certificate~~

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~~under Subsection (c)(4)(B) only if the person provides to the municipal authority responsible for approving plats an affidavit that states that the property was not sold or conveyed to that person from a subdivider or the subdivider's agent after September 1, 1995, or after September 1, 2005, as applicable.]~~

(h) This section may not be construed to abrogate any civil or criminal proceeding or prosecution or to waive any penalty against a subdivider or developer for a violation of a state or local law, regardless of the date on which the violation occurred.

(i) In this section:

(1) "Developer" has the meaning assigned by Section 232.021.

(2) "Foundation" means the lowest division of a residence, usually consisting of a masonry slab or a pier and beam structure, that is partly or wholly below the surface of the ground and on which the residential structure rests.

(3) [(2)] "Subdivider" has the meaning assigned by Section 232.021.

(j) Except as provided by Subsection (k), this section does not prohibit a water or sewer utility from providing in a county defined by Section 232.022(a)(1) water or sewer utility connection or service to a residential dwelling that:

(1) is provided water or wastewater facilities under or in conjunction with a federal or state funding program designed to address inadequate water or wastewater facilities in colonias or to residential lots located in a

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county described by Section 232.022(a)(1);  
(2) is an existing dwelling identified as an eligible  
recipient for funding by the funding agency providing  
adequate water and wastewater facilities or  
improvements;  
(3) when connected, will comply with the minimum  
state standards for both water and sewer facilities and as  
prescribed by the model subdivision rules adopted under  
Section 16.343, Water Code; and  
(4) is located in a project for which the political  
subdivisions with jurisdiction over the project or the  
approval of plats within the project area have approved  
the improvement project by order, resolution, or  
interlocal agreement under Chapter 791, Government  
Code.  
(k) A utility may not serve any subdivided land with  
water utility connection or service under Subsection (j)  
unless the entity receives a determination that adequate  
sewer services have been installed to service the lot or  
dwelling from the municipal authority responsible for  
approving plats, an entity described by Subsection (b), or  
the authorized agent responsible for the licensing or  
permitting of on-site sewage facilities pursuant to  
Chapter 366, Health and Safety Code.

No equivalent provision.

SECTION \_\_.02. Section 232.021, Local Government Code, is amended by amending Subdivision (2) and adding Subdivisions (2-a), (2-b), and (6-a) to read as follows:  
(2) "Common promotional plan" means any plan or

No equivalent provision.

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scheme of operation undertaken by a single subdivider or developer or a group of subdividers or developers acting in concert, either personally or through an agent, to offer for sale or lease lots when the land is:

(A) contiguous or part of the same area of land; or

(B) known, designated, or advertised as a common unit or by a common name.

(2-a) "Develop" means a structural improvement or man-made change to a lot intended for residential use undertaken to improve, enhance, or otherwise make suitable real property for purposes of sale, resale, or lease.

(2-b) "Developer" means a person who owns any interest in real property and directly or indirectly develops real property in the ordinary course of business or as part of a common promotional plan.

(6-a) "Lot of record" means:

(A) a lot, the boundaries of which were established by a plat recorded in the office of the county clerk before September 1, 1989, that has not been subdivided after September 1, 1989; or

(B) a lot, the boundaries of which were established by a metes and bounds description in a deed of conveyance, a contract of sale, or other executory contract to convey real property that has been legally executed and recorded in the office of the county clerk before September 1, 1989, that has not been subdivided after September 1, 1989.

No equivalent provision.

SECTION \_\_.03.      Section 232.024(b), Local

No equivalent provision.

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Government Code, is amended to read as follows:

(b) If any part of a plat applies to land intended for residential housing and any part of that land lies in a floodplain, the commissioners court shall not approve the plat unless:

(1) the subdivision is developed in compliance with the minimum requirements of the National Flood Insurance Program and local regulations or orders adopted under Section 16.315, Water Code; and

(2) the plat evidences a restrictive covenant prohibiting  
~~[as required by this subsection. The restrictive covenant shall prohibit]~~ the construction of residential housing in any area of the subdivision that is in a floodplain unless the housing is developed in compliance with the minimum requirements of~~[qualifies for insurance under]~~ the National Flood Insurance Program and local regulations or orders adopted under Section 16.315, Water Code ~~[Act of 1968 (42 U.S.C. Sections 4001 through 4127)]~~.

No equivalent provision.

SECTION \_\_.04. Section 232.028(b), Local Government Code, is amended to read as follows:

(b) On the commissioners court's own motion or on the written request of a subdivider, an owner or resident of a lot in a subdivision, or an entity that provides a utility service, the commissioners court shall make the following determinations regarding the land in which the entity or commissioners court is interested that is located within the jurisdiction of the county:

(1) whether a plat has been prepared and whether it has

No equivalent provision.

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been reviewed and approved by the commissioners court;  
(2) whether water service facilities have been constructed or installed to service the lot or subdivision under Section 232.023 and are fully operable;  
(3) whether sewer service facilities have been constructed or installed to service the lot or subdivision under Section 232.023 and are fully operable, or if septic systems are used, whether the lot is served by a permitted on-site sewage facility or lots in the subdivision can be adequately and legally served by septic systems under Section 232.023; and  
(4) whether electrical and gas facilities, if available, have been constructed or installed to service the lot or subdivision under Section 232.023.

No equivalent provision.

SECTION \_\_.05. Section 232.029, Local Government Code, is amended by amending Subsections (b), (c), (d), (e), and (i) and adding Subsections (k) and (l) to read as follows:

(b) Except as provided by Subsection (c) or Section 232.037(c), a utility may not serve or connect any subdivided land with electricity or gas unless the entity receives a determination from the county commissioners court under Sections 232.028(b)(2) and (3) ~~[Section 232.028(b)(2)]~~ that adequate water and sewer services have been installed to service the lot or subdivision.

(c) An electric, gas, water, or sewer service utility may serve or connect subdivided land with water, sewer, electricity, gas, or other utility service regardless of whether the utility receives a certificate issued by the

No equivalent provision.

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commissioners court under Section 232.028(a) or receives a determination from the commissioners court under Section 232.028(b) if the utility is provided with a certificate issued by the commissioners court that states that:

(1) the subdivided land:

(A) was sold or conveyed by a subdivider or developer  
~~[to the person requesting service]~~ by any means of conveyance, including a contract for deed or executory contract:

(i) before September 1, 1995; or

(ii) before September 1, 1999, if the subdivided land on August 31, 1999, was located in the extraterritorial jurisdiction of a municipality as determined by Chapter 42;

(B) has not been subdivided after September 1, 1995, or September 1, 1999, as applicable under Paragraph (A);  
~~[is located in a subdivision in which the utility has previously provided service; and]~~

(C) is the site of construction of a residence, evidenced by at least the existence of a completed foundation, that was begun[ :]

~~[(i) on or before May 1, 1997; or~~

~~[(ii)] on or before May 1, 2003; and~~

(D) has had adequate sewer services installed to service the lot or dwelling;

(2) the subdivided land is a lot of record and has adequate sewer services installed that are fully operable to service the lot or dwelling;  
~~[if the subdivided land on August 31, 1999, was located in the extraterritorial~~

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~~jurisdiction of a municipality as determined by Chapter 42]; or~~

~~(3) [(2)]~~ the land was not subdivided after September 1, 1995, and:

(A) water service is available within 750 feet of the subdivided land; or

(B) water service is available more than 750 feet from the subdivided land and the extension of water service to the land may be feasible, subject to a final determination by the water service provider.

(d) A utility may provide utility service to subdivided land described by Subsection (c)(1), (2), or (3) only if the person requesting service:

(1) is not the land's subdivider or developer or the subdivider's or developer's agent; and

(2) provides to the utility a certificate described by Subsection (c) [(e)(1)].

(e) A person requesting service may obtain a certificate under Subsection (c)(1), (2), or (3) only if the person is the owner or purchaser of the subdivided land and provides to the commissioners court documentation containing [either]:

(1) ~~[documentation containing:]~~

~~[(A)]~~ a copy of the means of conveyance or other documents that show that the land was sold or conveyed by a subdivider or developer before September 1, 1995, or before September 1, 1999, as applicable under Subsection (c);

~~(2) [to the person requesting service:]~~

~~[(i) before September 1, 1995; or]~~



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~~[(ii) before September 1, 1999, if the subdivided land on August 31, 1999, was located in the extraterritorial jurisdiction of a municipality as determined by Chapter 42; and~~

~~[(B)]~~ a notarized affidavit by that person requesting service under Subsection (c)(1) that states that construction of a residence on the land, evidenced by at least the existence of a completed foundation, was begun;

~~[(i) on or before May 1, 1997; or~~

~~[(ii)]~~ on or before May 1, 2003, and the request for utility connection or service is to connect or serve a residence described by Subsection (c)(1)(C);

~~(3) [; if the subdivided land on August 31, 1999, was located in the extraterritorial jurisdiction of a municipality as determined by Chapter 42; or~~

~~[(2)]~~ a notarized affidavit by the person requesting service that states that the subdivided land has not been further subdivided after;

~~[(A) the property was sold or conveyed to that person:~~

~~[(i) before] September 1, 1995, [;] or~~

~~[(ii) before] September 1, 1999, as applicable under Subsection (c); and~~

~~(4) evidence that adequate sewer service or facilities have been installed and are fully operable to service the lot or dwelling from an entity described by Section 232.021(14) or the authorized agent responsible for the licensing or permitting of on-site sewage facilities under Chapter 366, Health and Safety Code [if the subdivided land on August 31, 1999, was located in the~~

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~~extraterritorial jurisdiction of a municipality as determined by Chapter 42; and~~

~~[(B) construction of a residence on the land, evidenced by at least the existence of a completed foundation, was begun:~~

~~[(i) on or before May 1, 1997; or~~

~~[(ii) on or before May 1, 2003, if the subdivided land on August 31, 1999, was located in the extraterritorial jurisdiction of a municipality as determined by Chapter 42].~~

(i) The prohibition established by this section shall not prohibit a water, sewer, [an] electric, or gas utility from providing water, sewer, electric, or gas utility connection or service to a lot [being] sold, conveyed, or purchased through a contract for deed or executory contract or other device by a subdivider or developer prior to July 1, 1995, or September 1, 1999, if on August 31, 1999, the subdivided land was located in the extraterritorial jurisdiction of a municipality that has adequate sewer services installed that are fully operable to service the lot [which is located within a subdivision where the utility has previously established service] and was subdivided by a plat approved prior to September 1, 1989.

(k) Except as provided by Subsection (l), this section does not prohibit a water or sewer utility from providing water or sewer utility connection or service to a residential dwelling that:

(1) is provided water or wastewater facilities under or in conjunction with a federal or state funding program designed to address inadequate water or wastewater

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facilities in colonias or to residential lots located in a county described by Section 232.022(a)(1);

(2) is an existing dwelling identified as an eligible recipient for funding by the funding agency providing adequate water and wastewater facilities or improvements;

(3) when connected, will comply with the minimum state standards for both water and sewer facilities and as prescribed by the model subdivision rules adopted under Section 16.343, Water Code; and

(4) is located in a project for which the political subdivisions with jurisdiction over the project or the approval of plats within the project area have approved the improvement project by order, resolution, or interlocal agreement under Chapter 791, Government Code, if applicable.

(l) A utility may not serve any subdivided land with water utility connection or service under Subsection (k) unless the entity receives a determination from the county commissioners court under Section 232.028(b)(3) that adequate sewer services have been installed to service the lot or dwelling.

No equivalent provision.

SECTION \_\_.06. Sections 232.031(a) and (b), Local Government Code, are amended to read as follows:

(a) Except as provided by Subsection (d), a subdivider or developer may not sell or lease land in a subdivision first platted or replatted after July 1, 1995, unless the subdivision plat is approved by the commissioners court in accordance with Section 232.024.

No equivalent provision.

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	(b) Not later than the 30th day after the date a lot is sold, a subdivider <u>or developer</u> shall record with the county clerk all sales contracts, including the attached disclosure statement required by Section 232.033, leases, and any other documents that convey an interest in the subdivided land.	
No equivalent provision.	<p>SECTION __.07. Sections 232.035(a) and (b), Local Government Code, are amended to read as follows:</p> <p>(a) A subdivider <u>or developer</u> or an agent of a subdivider <u>or developer</u> may not cause, suffer, allow, or permit a lot to be sold in a subdivision if the subdivision has not been platted as required by this subchapter.</p> <p>(b) Notwithstanding any other remedy at law or equity, a subdivider <u>or developer</u> or an agent of a subdivider <u>or developer</u> may not cause, suffer, allow, or permit any part of a subdivision over which the subdivider <u>or developer</u> or an agent of the subdivider <u>or developer</u> has control, or a right of ingress and egress, to become a public health nuisance as defined by Section 341.011, Health and Safety Code.</p>	No equivalent provision.
No equivalent provision.	<p>SECTION __.08. Section 232.036(a), Local Government Code, is amended to read as follows:</p> <p>(a) A subdivider <u>or developer</u> commits an offense if the subdivider <u>or developer</u> knowingly fails to file a plat <u>or replat</u> required by this subchapter. An offense under this subsection is a Class A misdemeanor.</p>	No equivalent provision.
No equivalent provision.	SECTION __.09. Section 232.038(a), Local	No equivalent provision.

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Government Code, is amended to read as follows:

(a) Except as provided by Subsection (b), a person who has purchased or is purchasing a lot after July 1, 1995, in a subdivision for residential purposes that does not have water and sewer services as required by this subchapter and is located in an economically distressed area, as defined by Section 17.921, Water Code, from a subdivider or developer, may bring suit in the district court in which the property is located or in a district court in Travis County to:

- (1) declare the sale of the property void and require the subdivider or developer to return the purchase price of the property; and
- (2) recover from the subdivider or developer:
  - (A) the market value of any permanent improvements the person placed on the property;
  - (B) actual expenses incurred as a direct result of the failure to provide adequate water and sewer facilities;
  - (C) court costs; and
  - (D) reasonable attorney's fees.

SECTION \_\_.10. Sections 232.040(a), (b), and (c), Local Government Code, are amended to read as follows:

(a) A subdivision plat must accurately reflect the subdivision as it develops. If there is any change, either by the intentional act of the subdivider or developer or by the forces of nature, including changes in the size or dimension of lots or the direction or condition of the roads, a plat must be revised in accordance with Section

No equivalent provision.

No equivalent provision.

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	<p>232.041.</p> <p>(b) Except as provided by Subsection (c), a lot in a subdivision may not be sold if the lot lacks water and sewer services as required by this subchapter unless the lot is platted or replatted as required by this subchapter. A subdivider <u>or developer</u> or agent of a subdivider <u>or developer</u> may not transfer a lot through an executory contract or other similar conveyance to evade the requirements of this subchapter. The prohibition in this subsection includes the sale of a lot:</p> <p>(1) by a subdivider <u>or developer</u> who regains possession of a lot previously exempt under Subsection (c) through the exercise of a remedy described in Section 5.061, Property Code; or</p> <p>(2) for which it is shown at a proceeding brought in the district court in which the property is located that the sale of a lot otherwise exempt under Subsection (c) was made for the purpose of evading the requirements of this subchapter.</p> <p>(c) Subsection (b) does not apply <u>to</u> <del>[if]</del> a seller other than a subdivider, <u>developer</u>, or agent of a subdivider <u>or developer</u> <del>[resides on the lot]</del>.</p>	
No equivalent provision.	SECTION __.11. Section 232.029(f), Local Government Code, is repealed.	No equivalent provision.
No equivalent provision.	ARTICLE __. DUVAL COUNTY GROUNDWATER CONSERVATION DISTRICT	No equivalent provision.
No equivalent provision.	SECTION __.01. Section 8808.003, Special District	No equivalent provision.

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Local Laws Code, is amended to read as follows:  
Sec. 8808.003. CONFIRMATION ELECTION  
REQUIRED. If the creation of the district is not  
confirmed at a confirmation election held before  
September 1, 2009 [2007]:  
(1) the district is dissolved on September 1, 2009  
[2007], except that:  
(A) any debts incurred shall be paid;  
(B) any assets that remain after the payment of debts  
shall be transferred to Duval County; and  
(C) the organization of the district shall be maintained  
until all debts are paid and remaining assets are  
transferred; and  
(2) this chapter expires on September 1, 2012 [2010].

No equivalent provision.

SECTION \_\_.02. Section 8808.023, Special District  
Local Laws Code, is amended by adding Subsection (d)  
to read as follows:  
(d) Duval County may pay for any portion of the costs  
incident to the district's confirmation election.

No equivalent provision.

No equivalent provision.

SECTION \_\_.03. This article takes effect immediately if  
this Act receives a vote of two-thirds of all the members  
elected to each house, as provided by Section 39, Article  
III, Texas Constitution. If this Act does not receive the  
vote necessary for immediate effect, this article takes  
effect September 1, 2007.

No equivalent provision.

No equivalent provision.

ARTICLE \_\_. STARR COUNTY GROUNDWATER  
CONSERVATION DISTRICT

No equivalent provision.

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No equivalent provision.	<p>SECTION __.01. Subchapter A, Chapter 8803, Special District Local Laws Code, is amended by adding Section 8803.004 to read as follows:</p> <p><u>Sec. 8803.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2009:</u></p> <p><u>(1) the district is dissolved on September 1, 2009, except that:</u></p> <p><u>(A) any debts incurred shall be paid;</u></p> <p><u>(B) any assets that remain after the payment of debts shall be transferred to Starr County; and</u></p> <p><u>(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and</u></p> <p><u>(2) this chapter expires September 1, 2012.</u></p>	No equivalent provision.
No equivalent provision.	<p>SECTION __.02. Chapter 8803, Special District Local Laws Code, is amended by adding Subchapter A-1 to read as follows:</p> <p><u>SUBCHAPTER A-1. TEMPORARY PROVISIONS</u></p> <p><u>Sec. 8803.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not later than the 45th day after the effective date of this subchapter, five temporary directors shall be appointed as follows:</u></p> <p><u>(1) the Starr County Commissioners Court shall appoint four temporary directors, with one of the temporary directors appointed from each of the four commissioners precincts in the county to represent the precinct in which the temporary director resides; and</u></p>	No equivalent provision.



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(2) the county judge of Starr County shall appoint one temporary director who resides in the district to represent the district at large.

(b) If there is a vacancy on the temporary board of directors of the district, the remaining temporary directors shall appoint a person to fill the vacancy in a manner that meets the representational requirements of this section.

(c) Temporary directors serve until the earlier of:

(1) the time the temporary directors become initial directors as provided by Section 8803.024; or

(2) the date this chapter expires under Section 8803.004.

Sec. 8803.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the Starr County Courthouse.

Sec. 8803.023. CONFIRMATION ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district.

(b) Section 41.001(a), Election Code, does not apply to a confirmation election held as provided by this section.

(c) Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017(b)-(i), Water Code, and the Election Code. The provision of Section 36.017(d), Water Code, relating to

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the election of permanent directors does not apply to a confirmation election under this section.

(d) Starr County may pay for any portion of the costs incident to the district's confirmation election.

Sec. 8803.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8803.023, the temporary directors of the district become the initial directors of the district and serve on the board of directors until permanent directors are elected under Section 8803.025.

(b) The initial directors for county precincts 2 and 3 serve a term expiring June 1 following the first regularly scheduled election of directors under Section 8803.025, and the initial directors for county precincts 1 and 4 serve a term expiring June 1 following the second regularly scheduled election of directors. The at-large director shall serve a term expiring June 1 following the second regularly scheduled election of directors.

Sec. 8803.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On the uniform election date prescribed by Section 41.001, Election Code, in May of the first even-numbered year after the year in which the district is authorized to be created at a confirmation election, an election shall be held in the district for the election of two directors to replace the initial directors who, under Section 8803.024(b), serve a term expiring June 1 following that election.

Sec. 8803.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012.

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No equivalent provision.

No equivalent provision.

No equivalent provision.

No equivalent provision.

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SECTION \_\_.03. Sections 5, 6, 7, 8, 9, and 11, Chapter 451, Acts of the 79th Legislature, Regular Session, 2005, are repealed.

SECTION \_\_.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

ARTICLE \_\_. TABLEROCK GROUNDWATER CONSERVATION DISTRICT

SECTION \_\_.01. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8823 to read as follows:

CHAPTER 8823. TABLEROCK GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8823.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the Tablerock Groundwater Conservation District.

Sec. 8823.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Coryell County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8823.003. CONFIRMATION ELECTION

CONFERENCE

No equivalent provision.

No equivalent provision.

ARTICLE 11. Same as House version.

SECTION 11.01. Same as House version, *except deletes secs. 8823.102, 8823.103 and 8823.106 and renumbers accordingly.*

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REQUIRED. (a) If the creation of the district is not confirmed at a confirmation election held before September 1, 2012:

(1) the district is dissolved on September 1, 2012, except that the district shall:

(A) pay any debts incurred;

(B) transfer to Coryell County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

(b) This section expires September 1, 2012.

Sec. 8823.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of Coryell County, Texas.

Sec. 8823.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36, Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Sec. 8823.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

[Sections 8823.007-8823.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8823.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not later than the 45th day after the effective date of this chapter, five temporary directors

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shall be appointed as follows:

(1) the Coryell County Commissioners Court shall appoint one temporary director from each of the four commissioners precincts in the county to represent the precincts in which the temporary directors reside; and

(2) the county judge of Coryell County shall appoint one temporary director who resides in the district to represent the district at large.

(b) If there is a vacancy on the temporary board, the authority who appointed the temporary director whose position is vacant shall appoint a person to fill the vacancy.

(c) Temporary directors serve until the earlier of:

(1) the time the temporary directors become initial directors as provided by Section 8823.024; or

(2) the date this chapter expires under Section 8823.003.  
Sec. 8823.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the Coryell County Courthouse.

Sec. 8823.023. CONFIRMATION ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district.

(b) Section 41.001(a), Election Code, does not apply to a confirmation election held as provided by this section.

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(c) Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017(b), (c), and (e)-(i), Water Code, and the Election Code. Section 36.017(d), Water Code, does not apply to the confirmation election.

(d) The ballot for the election must be printed in accordance with the Election Code and provide for voting for or against the proposition: "The creation of the Tablerock Groundwater Conservation District and the imposition of a maintenance tax at a rate not to exceed two cents on each \$100 of assessed valuation of taxable property in the district."

(e) If a majority of the votes cast at the election are not in favor of the creation of the district, the temporary directors may hold a subsequent confirmation election. The subsequent election may not be held before the first anniversary of the date on which the previous election was held.

(f) The district may not impose a maintenance tax unless a majority of the votes cast at the election are in favor of the imposition of the maintenance tax.

Sec. 8823.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8823.023, the temporary directors become the initial directors and serve for the terms provided by Subsection (b).

(b) The initial directors representing commissioners precincts 2 and 4 serve until the election of directors under Section 8823.025, and the initial directors representing commissioners precincts 1 and 3 and the at-

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large director serve until the next regularly scheduled election of directors under Section 8823.053.

Sec. 8823.025. INITIAL ELECTION OF DIRECTORS. On the uniform election date in November of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 8823.023, the district shall hold an election of two directors to replace the initial directors who, under Section 8823.024(b), serve until that election.

Sec. 8823.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012.

[Sections 8823.027-8823.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8823.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8823.052. METHOD OF ELECTING DIRECTORS. One director is elected from each county commissioners precinct in Coryell County and one director is elected at large.

Sec. 8823.053. ELECTION DATE. The district shall hold an election in the district to elect directors on the uniform election date in November of each even-numbered year.

Sec. 8823.054. QUALIFICATIONS FOR ELECTION.

(a) To be qualified for election as a director, a person must reside in the district.

(b) To be qualified for election as a director from a precinct, a person must reside in that precinct.

[Sections 8823.055-8823.100 reserved for expansion]

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SUBCHAPTER C. POWERS AND DUTIES

Sec. 8823.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, and Section 59, Article XVI, Texas Constitution, applicable to groundwater conservation districts.

Sec. 8823.102. PERMIT CONSIDERATION. Before granting or denying a permit under Section 36.113, Water Code, the district must consider whether the proposed use of water unreasonably affects surrounding landowners.

Sec. 8823.103. PERMITS FOR CERTAIN ACTIVITIES; APPLICABLE RULES. (a) The district may require a permit for any activity that extracts groundwater or allows more than 25,000 gallons of groundwater a day to escape.

(b) If a permit is required under Subsection (a), the permit holder is subject to rules adopted by the district to:

(1) conserve, preserve, protect, and recharge the groundwater or a groundwater reservoir or its subdivisions to control subsidence, prevent degradation of groundwater quality, and prevent waste of groundwater; and

(2) carry out any other power or duty under Chapter 36, Water Code.

Sec. 8823.104. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS.



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The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, if the well is not exempt under Section 36.117(b)(1), Water Code, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Sec. 8823.105. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Sec. 8823.106. IMPACT OF TRANSFER. (a) If the district finds that a transfer of groundwater out of the district negatively impacts any of the factors described by Section 36.122(f), Water Code, the district may

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impose additional requirements or limitations on the permit that are designed to minimize those impacts.

(b) Sections 36.122(c), (e), (i), and (j), Water Code, do not apply to a requirement or limitation imposed under this section.

Sec. 8823.107. ADOPTION OF RULES AND ISSUANCE OF PERMITS. Before the district adopts a management plan, the district may adopt rules and issue permits.

Sec. 8823.108. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES. (a) The district and another governmental entity, including a river authority located in the district, may contract for the performance by that entity of a district function.

(b) The district may accept a loan from Coryell County to pay for any initial costs of the district, including costs related to a confirmation election.

Sec. 8823.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 8823.110. DISTRICT TERRITORY REQUIREMENTS; DISSOLUTION OF DISTRICT. (a) On September 1, 2011, the district boundaries must include at least one county adjacent to Coryell County.

(b) As soon as practicable after September 1, 2011, the Texas Commission on Environmental Quality shall determine whether the district complies with Subsection (a).

(c) If the Texas Commission on Environmental Quality determines that the district does not comply with

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Subsection (a), the commission shall dissolve the district in accordance with Sections 36.304, 36.305, 36.307, 36.308, 36.309, and 36.310, Water Code, regardless of whether the district meets the criteria for dissolution under Section 36.304(a), Water Code.

(d) This section expires September 1, 2013.

[Sections 8823.111-8823.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8823.151. REVENUE. To pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district, the district may:

(1) impose an ad valorem tax at a rate that:

(A) is approved by a majority of district voters voting at an election held for that purpose; and

(B) does not exceed two cents on each \$100 of assessed valuation of taxable property in the district;

(2) assess fees for services or for water withdrawn from nonexempt wells; or

(3) solicit and accept grants from any private or public source.

[Sections 8823.152-8823.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 8823.201. ELECTION FOR DISSOLUTION. (a) If the district has no outstanding bond or other long-term indebtedness, the district may be dissolved by a favorable vote of a majority of the registered voters of the district at an election held for that purpose.

(b) The board shall hold a dissolution election if the board receives a petition for dissolution signed by at least

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50 percent of the registered voters in the district as computed by using the list of registered voters for Coryell County.

(c) If the district is dissolved under this section, the board shall:

(1) notify the Texas Commission on Environmental Quality and the secretary of state of the dissolution; and

(2) transfer title to any assets of the district to Coryell County.

No equivalent provision.

SECTION \_\_.02. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

SECTION 11.02. Same as House version.

No equivalent provision.

ARTICLE \_\_. WATER DEVELOPMENT BOARD

ARTICLE 6. WATER DEVELOPMENT BOARD

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No equivalent provision.

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SECTION \_\_.01. Section 16.344, Water Code, is amended by adding Subsections (d), (e), (f), (g), (h), and (i) to read as follows:

(d) Notwithstanding Section 16.343(g) or Section 16.350(a), a political subdivision may temporarily continue to receive funds under Subchapter K, Chapter 17, if the political subdivision submits a request for temporary continuation of funding and the board determines that:

(1) the political subdivision's initial funding application and any amendments for a designated area were reviewed and approved by the board before January 1, 2007;

(2) withholding funds would result in an undue hardship for occupants of the property to be served by unreasonably delaying the provision of adequate water or wastewater services;

(3) withholding funds would result in inefficient use of local, state, or federal funds under the program;

(4) the political subdivision has committed to take the necessary and appropriate actions to correct any deficiencies in adoption or enforcement of the model rules within the time designated by the board, but not later than the 90th day after the date the board makes the determinations under this subsection;

(5) the political subdivision has sufficient safeguards in place to prevent the proliferation of colonias; and

(6) during the 30 days after the date the board receives a request under this subsection, the board, after consulting with the attorney general, secretary of state, and

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SECTION 6.01. Same as House version.

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commission, has not received an objection from any of those entities to the request for temporary continuation of funding.

(e) In applying Subsection (d) to applications for increased financial assistance, the board shall only consider areas that were included in the initial application, except that the board may reconsider the eligibility of areas that were the subject of a facility plan in the initial application and that may be determined to be eligible based on criteria in effect September 1, 2005.

(f) The political subdivision shall take necessary and appropriate actions to correct any deficiencies in its adoption and enforcement of the model rules within the time period required by the board, not to exceed the 90-day period described by Subsection (d)(4), and provide evidence of compliance to the board. The board shall discontinue funding unless the board makes a determination based on the evidence provided that the political subdivision has demonstrated sufficient compliance to continue funding.

(g) Except as provided by Subsections (d)-(f), if the board determines that a county or city that is required to adopt and enforce the model rules is not enforcing the model rules, the board shall discontinue funding for all projects within the county or city that are funded under Subchapter K, Chapter 17.

(h) The board may not accept or grant applications for temporary funding under Subsection (d) after June 1, 2009.

(i) Subsections (d), (e), (f), (g), and (h) and this

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subsection expire September 1, 2009.

No equivalent provision.

ARTICLE \_\_\_\_ MCLENNAN COUNTY  
GROUNDWATER CONSERVATION DISTRICT

Same as Senate version.

No equivalent provision.

SECTION \_\_.01. Subtitle H, Title 6, Special District  
Local Laws Code, is amended by adding Chapter 8821 to  
read as follows:

Same as Senate version.

CHAPTER 8821. MCLENNAN COUNTY  
GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8821.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Director" means a board member.

(3) "District" means the McLennan County  
Groundwater Conservation District.

Sec. 8821.002. NATURE OF DISTRICT. The district is  
a groundwater conservation district in McLennan County  
created under and essential to accomplish the purposes of  
Section 59, Article XVI, Texas Constitution.

Sec. 8821.003. CONFIRMATION ELECTION  
REQUIRED. (a) If the creation of the district is not  
confirmed at a confirmation election held before  
September 1, 2012:

(1) the district is dissolved on September 1, 2012, except  
that the district shall:

(A) pay any debts incurred;

(B) transfer to McLennan County any assets that remain  
after the payment of debts; and

(C) maintain the organization of the district until all

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debts are paid and remaining assets are transferred; and  
(2) this chapter expires on September 1, 2012.  
(b) This section expires on September 1, 2012.  
Sec. 8821.004. INITIAL DISTRICT TERRITORY. The  
initial boundaries of the district are coextensive with the  
boundaries of McLennan County, Texas.  
Sec. 8821.005. CONSTRUCTION OF CHAPTER. This  
chapter shall be liberally construed to achieve the  
legislative intent and purposes of Chapter 36, Water  
Code. A power granted by Chapter 36, Water Code, or  
this chapter shall be broadly interpreted to achieve that  
intent and those purposes.  
Sec. 8821.006. APPLICABILITY OF OTHER  
GROUNDWATER CONSERVATION DISTRICT  
LAW. Except as otherwise provided by this chapter,  
Chapter 36, Water Code, applies to the district.  
[Sections 8821.007-8821.020 reserved for expansion]  
SUBCHAPTER A-1. TEMPORARY PROVISIONS  
Sec. 8821.021. APPOINTMENT OF TEMPORARY  
DIRECTORS. (a) Not later than the 45th day after the  
effective date of this chapter, five temporary directors  
shall be appointed as follows:  
(1) the McLennan County Commissioners Court shall  
appoint one temporary director from each of the four  
commissioners precincts in the county to represent the  
precincts in which the temporary directors reside; and  
(2) the county judge of McLennan County shall appoint  
one temporary director who resides in the district to  
represent the district at large.  
(b) If there is a vacancy on the temporary board, the



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authority who appointed the temporary director whose position is vacant shall appoint a person to fill the vacancy.

(c) Temporary directors serve until the earlier of:

(1) the time the temporary directors become initial directors as provided by Section 8821.024; or

(2) the date this chapter expires under Section 8821.003.

Sec. 8821.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the McLennan County Courthouse.

Sec. 8821.023. CONFIRMATION ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district.

(c) Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017(b), (c), and (e)-(i), Water Code, and the Election Code. Section 36.017(d), Water Code, does not apply to the confirmation election.

(d) The ballot for the election must be printed in accordance with the Election Code and provide for voting for or against the proposition: "The creation of the McLennan County Groundwater Conservation District."

(e) If a majority of the votes cast at the election are not

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in favor of the creation of the district, the temporary directors may call and hold a subsequent confirmation election. The subsequent election may not be held before the first anniversary of the date on which the previous election was held.

(f) The district may contract with the elections administrator of McLennan County to conduct an election under this section.

Sec. 8821.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8821.023, the temporary directors become the initial directors and serve for the terms provided by Subsection (b).

(b) The initial directors representing commissioners precincts 2 and 4 serve a term expiring on December 31 following the expiration of two years after the date of the confirmation election, and the initial directors representing commissioners precincts 1 and 3 and the at-large director serve a term expiring on December 31 following the expiration of four years after the date of the confirmation election.

Sec. 8821.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012.

[Sections 8821.026-8821.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8821.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms, with two or three directors' terms expiring December 31 of each even-numbered year.

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(c) A director may not serve more than three consecutive terms.

Sec. 8821.052. APPOINTMENT OF DIRECTORS. (a) The McLennan County Commissioners Court shall appoint one director from each of the four commissioners precincts and one director to represent the district at large.

(b) Except as provided by Subsection (c), to be eligible to serve as director at large, a person must be a registered voter in the district. To serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(c) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which appointed even though the change in boundaries places the person's residence outside the precinct for which the person was appointed.

[Sections 8821.053-8821.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8821.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, and Section 59, Article XVI, Texas Constitution, applicable to groundwater

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conservation districts.

Sec. 8821.102. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS.

The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, if the well is not exempt under Section 36.117(b)(1), Water Code, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Sec. 8821.103. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Sec. 8821.104. ADOPTION OF RULES AND

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ISSUANCE OF PERMITS. Before the district adopts a management plan, the district may adopt rules and issue permits.

Sec. 8821.105. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES. The district and another governmental entity, including a river authority located in the district, may contract for the performance by that entity of a district function.

Sec. 8821.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 8821.107. DISTRICT TERRITORY REQUIREMENTS; DISSOLUTION OF DISTRICT. (a) On September 1, 2011, the district boundaries must include at least one county adjacent to McLennan County.

(b) As soon as practicable after September 1, 2011, the Texas Commission on Environmental Quality shall determine whether the district complies with Subsection (a).

(c) If the Texas Commission on Environmental Quality determines that the district does not comply with Subsection (a), the commission shall dissolve the district in accordance with Sections 36.304, 36.305, 36.307, 36.308, 36.309, and 36.310, Water Code, regardless of whether the district meets the criteria for dissolution under Section 36.304(a), Water Code.

(d) This section expires September 1, 2013.

[Sections 8821.108-8821.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL

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PROVISIONS

Sec. 8821.151. REVENUE. To pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district, the district may:

- (1) assess fees for services or for water withdrawn from nonexempt wells; or
- (2) solicit and accept grants from any private or public source.

Sec. 8821.152. FEES. The district may impose a user fee to pay for the creation and operation of the district, including permit hearings. The district may not impose a fee for agricultural use that is more than 20 percent of the rate for municipal use.

[Sections 8821.153-8821.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 8821.201. ELECTION FOR DISSOLUTION. (a) If the district has no outstanding bond or other long-term indebtedness, the district may be dissolved by a favorable vote of a majority of the registered voters of the district at an election held for that purpose.

(b) The board shall hold a dissolution election if the board receives a petition for dissolution signed by at least 50 percent of the registered voters in the district as computed by using the list of registered voters for McLennan County.

(c) If the district is dissolved under this section, the board shall:

- (1) notify the Texas Commission on Environmental Quality and the secretary of state of the dissolution; and
- (2) transfer title to any assets of the district to McLennan

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	<u>County.</u>	
No equivalent provision.	<p>SECTION __.02. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.</p> <p>(b) The governor has submitted the notice and article to the Texas Commission on Environmental Quality.</p> <p>(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, lieutenant governor, and speaker of the house of representatives within the required time.</p> <p>(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.</p>	Same as Senate version.
No equivalent provision.	ARTICLE __. ACTON MUNICIPAL UTILITY DISTRICT	Same as Senate version.
No equivalent provision.	SECTION 1. DEFINITION. In this Article, "district" means the Acton Municipal Utility District.	Same as Senate version.
No equivalent provision.	SECTION 2. VALIDATION. The following actions and annexations of the district are validated and confirmed as if the actions and annexations had been done as	Same as Senate version.

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	authorized by law: (1) any resolution, order, or other act or attempted act of the board of directors of the district relating to an annexation by the district taken before the effective date of this Act; and (2) any annexation by the district since its creation.	
No equivalent provision.	SECTION 3. VALIDATION OF BOUNDARIES. Validates and specifies district boundaries.	Same as Senate version.
No equivalent provision.	SECTION 4. FINDINGS RELATIVE TO BOUNDARIES. The legislature finds that the boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the organization, existence, or validity of the district, the right of the district to levy and collect taxes, or the legality or operation of the district or its governing body.	Same as Senate version.
No equivalent provision.	SECTION 5. EFFECT ON LITIGATION. This Act does not apply to any matter that on the effective date of this Act: (1) is involved in litigation, if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or (2) has been held invalid by a final judgment of a court.	Same as Senate version.
No equivalent provision.	ARTICLE __. REGULATION OF WATER WELLS BY CERTAIN GROUNDWATER CONSERVATION DISTRICTS	No equivalent provision.



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No equivalent provision.	SECTION __.01. Section 5, Chapter 453, Acts of the 73rd Legislature, Regular Session, 1993, is amended by adding Subsection (c) to read as follows: <u>(c) Section 36.121, Water Code, does not apply to the district.</u>	No equivalent provision.
No equivalent provision.	SECTION __.02. Chapter 1075, Acts of the 75th Legislature, Regular Session, 1997, is amended by adding Section 5A to read as follows: <u>Sec. 5A. APPLICABILITY OF OTHER LAW ON RULEMAKING. Section 36.121, Water Code, does not apply to the district.</u>	No equivalent provision.
No equivalent provision.	SECTION __.03. Section 5, Chapter 1291, Acts of the 77th Legislature, Regular Session, 2001, is amended by adding Subsection (d) to read as follows: <u>(d) Section 36.121, Water Code, does not apply to the district.</u>	No equivalent provision.
No equivalent provision.	ARTICLE __. TEXAS-LOUISIANA BORDER REGION	No equivalent provision.
No equivalent provision.	SECTION __. The legislature finds that the use of water resources in and orderly economic development of the area of this state near the Texas-Louisiana border is of concern to the entire state.	No equivalent provision.
No equivalent provision.	SECTION __. Chapter 2056, Government Code, is amended by adding Section 2056.012 to read as follows: <u>Sec. 2056.012. STRATEGIC PLAN FOR TEXAS-</u>	No equivalent provision.

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LOUISIANA BORDER REGION. (a) In this section:  
(1) "Committee" means the Texas-Louisiana border region economic development steering committee.  
(2) "Fund" means the Texas-Louisiana border region economic development steering committee fund.  
(3) "Texas-Louisiana border region" has the meaning assigned by Section 2056.002.  
(b) The committee consists of:  
(1) the county judges of the five most populous counties in the Texas-Louisiana border region;  
(2) the county judge of any other county in the Texas-Louisiana border region, if the commissioners court elects to join the committee; and  
(3) any representatives from economic development councils serving the Texas-Louisiana border region, as selected by the committee.  
(c) The committee shall develop a strategic plan for the economic development of the Texas-Louisiana border region, including the use of the area's water resources, in the same manner as a state agency is required by this chapter to make a strategic plan for its operations, and may take action to implement the strategic plan.  
(d) The members of the committee shall elect one member as presiding officer. The presiding officer may select another member to preside in the absence of the presiding officer. The presiding officer shall call at least one meeting of the committee each year and may call other meetings as the presiding officer determines are appropriate. A member of the committee is not entitled to compensation for serving as a member but is entitled

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to reimbursement for reasonable expenses incurred while serving as a member. The committee shall adopt rules for its proceedings and appoint an executive committee. The committee may employ and compensate persons to carry out the powers and duties of the committee. Chapter 171, Local Government Code, applies to a member of the committee in the same manner as that chapter applies to a local public official.

(e) The committee is a public body and a political subdivision of the state exercising public and essential governmental functions and has all the powers necessary or convenient to carry out the purposes of this section. The committee, in the exercise of powers under this section, is performing only governmental functions and is a governmental unit within the meaning of Chapter 101, Civil Practice and Remedies Code. The committee is subject every 12th year to review under Chapter 325.

(f) The committee may sue and be sued in all courts, may institute and prosecute suits without giving security for costs, and may appeal from a judgment without giving a supersedeas or cost bond. An action at law or in equity against the committee may be brought in any county in the Texas-Louisiana border region.

(g) The committee may acquire by grant, purchase, gift, devise, lease, or otherwise and may hold, use, sell, lease, or dispose of real and personal property, licenses, patents, rights, and interests necessary, convenient, or useful for the full exercise of its powers.

(h) The committee may enter into a joint ownership agreement with any person.

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(i) The committee may make contracts, leases, and agreements with, and accept grants and loans from, the United States, this state, agencies and political subdivisions of this state or another state of the United States, the United Mexican States, or a state of the United Mexican States, and other persons and entities and may perform any act necessary for the full exercise of the powers vested in it.

(j) Notwithstanding Chapter 551, the committee may hold an open or closed meeting by telephone conference call. The meeting is subject to the notice requirements applicable to other meetings. The notice of the meeting must specify as the location of the meeting the location where meetings of the committee are usually held. Each part of the meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting as the location of the meeting and shall be tape-recorded. The tape recording shall be made available to the public.

No equivalent provision.

ARTICLE \_\_. TERRITORY OF CULBERSON  
COUNTY GROUNDWATER CONSERVATION  
DISTRICT

ARTICLE 13.. TERRITORY OF CULBERSON  
COUNTY GROUNDWATER CONSERVATION  
DISTRICT

No equivalent provision.

SECTION \_\_.01. Chapter 1075, Acts of the 75th Legislature, Regular Session, 1997, is amended by adding Section 3A to read as follows:  
Sec. 3A. In addition to the portions of Culberson County included in the boundaries of the district on August 31, 2007, the boundaries of the district include all of the

SECTION 13.01. Same as House version.

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remaining territory in Culberson County.

No equivalent provision.

SECTION \_\_.02. (a) The annexation under Section 3A, Chapter 1075, Acts of the 75th Legislature, Regular Session, 1997, as added by this article, of the additional territory in Culberson County that was not included in the boundaries of the Culberson County Groundwater Conservation District on August 31, 2007, is subject to ratification at an election held under Section 36.328, Water Code, and this section in which only the voters residing in the territory to be annexed are eligible to vote. (b) The board of directors of the Culberson County Groundwater Conservation District shall hold the ratification election on the first uniform election date that occurs after the effective date of this article that allows for compliance with the time requirements of the Election Code. (c) If a majority of the voters voting at the ratification election vote in favor of the annexation, the Culberson County Groundwater Conservation District boundaries include all of Culberson County. (d) If a majority of the voters voting at the ratification election do not vote in favor of the annexation, the Culberson County Groundwater Conservation District boundaries are unchanged and this article expires.

SECTION 13.02. Same as House version.

No equivalent provision.

ARTICLE \_\_. DISPOSAL WELL PERMITS

Same as Senate version.

No equivalent provision.

SECTION \_\_.01. Section 27.034, Water Code, is amended by adding Subsections (a-1), (a-2), and (a-3) to

Same as Senate version.

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read as follows:

(a-1) In connection with an application for a permit to dispose of oil and gas waste in a commercial disposal well, as defined by the railroad commission, the rules adopted under Subsection (a) must, at a minimum:

(1) require the applicant to give notice of the application to:

(A) each owner of record of each surface tract that adjoins the tract on which the well is proposed to be located;

(B) the commissioners court of the county in which the well is proposed to be located; and

(C) any groundwater conservation district in which the well is proposed to be located;

(2) require each owner of record of a surface tract who receives notice of the application under Subdivision (1)(A) to give notice of the application to each surface lessee or purchaser under a contract for deed, executory contract, or other executory conveyance of the tract who occupies a residence located on the tract;

(3) require the applicant to publish notice of the application in:

(A) a newspaper of general circulation in the county in which the well is proposed to be located; and

(B) the newspaper that is published in closest proximity to the proposed site of the well; and

(4) provide each person who receives notice of the application under Subdivision (1) an opportunity to request a public hearing on the application.

(a-2) The failure of a person who receives notice of an

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application under Subsection (a-1)(1)(A) to give notice of the application to any person to whom the person is required to give notice under Subsection (a-1)(2) does not invalidate any permit issued by the railroad commission.

(a-3) The railroad commission is not required to hold more than one public hearing on an application regardless of the number of persons who request a hearing.

No equivalent provision.

SECTION \_\_.02. Section 27.105(a), Water Code, is amended to read as follows:

(a) A person who knowingly or intentionally violates a provision of this chapter under the jurisdiction of the railroad commission, a rule of the railroad commission other than a rule adopted under Section 27.034(a-1)(2), or a term, condition, or provision of a permit issued by the railroad commission under this chapter is subject to a fine of not more than \$5,000 for each violation and for each day of violation. A violation under the jurisdiction of the commission is enforceable under Section 7.157.

Same as Senate version.

No equivalent provision

ARTICLE \_\_. LA JOYA SPECIAL UTILITY DISTRICT

ARTICLE 9. AGUA SPECIAL UTILITY DISTRICT

No equivalent provision.

SECTION \_\_.01. Section 7201.001, Special District Local Laws Code, is amended by adding Subdivision (2-a) to read as follows:

(2-a) "Director" means a member of the board.

SECTION \_\_.02. Section 7201.002(c), Special District

SECTION 9.01. The heading to Chapter 7201, Special District Local Laws Code, is amended to read as follows:

CHAPTER 7201. AGUA ~~[LA JOYA]~~ SPECIAL UTILITY DISTRICT

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Local Laws Code, is amended to read as follows:

(c) The [On the effective date of the Act enacting this chapter, the] corporation shall be dissolved and succeeded without interruption by the district as provided by Subchapter A1.

SECTION \_\_.03. Section 7201.021, Special District Local Laws Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (f) to read as follows:

(a) After the temporary directors listed under Section 7201.051 have qualified for office under Section 49.055, Water Code, the receiver for the corporation [On the effective date of the Act enacting this chapter, the corporation] shall transfer the assets, debts, and contractual rights and obligations of the corporation to the district and provide notices and make recordings of the transfer required by the Water Code and general law.

(b) In accordance with the orders of the receivership court and not [Not] later than the 30th day after the date of the transfer under Subsection (a), the receiver for [board of directors of] the corporation shall commence dissolution proceedings of the corporation.

(d) The receiver for [board of directors of] the corporation shall notify the Texas Commission on Environmental Quality of the dissolution of the corporation and its succession in interest by [the creation of] the district in order [to replace it] to effect the transfer of Certificates of Convenience and Necessity Nos. 10559 and 20785 to the district.

(f) After the Texas Commission on Environmental

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SECTION 9.02. Section 7201.001, Special District Local Laws Code, is amended by amending Subdivision (3) and adding Subdivision (4) to read as follows:

(3) "Director" means a member of the board.

(4) "District" means the Agua [~~La Joya~~] Special Utility District.

SECTION 9.03. Section 7201.002(c), Special District Local Laws Code, is amended to read as follows:

(c) ~~The~~ [~~On the effective date of the Act enacting this chapter, the~~] corporation shall be dissolved and succeeded without interruption by the district as provided by Subchapter A1.

SECTION 9.04. Section 7201.005, Special District Local Laws Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) The [~~boundaries of the corporation and initial boundaries of the~~] district is composed of the territory described by Section .12 of the Act enacted by the 80th Legislature, Regular Session, 2007, amending this subsection [~~are coextensive with the service areas covered by Certificates of Convenience and Necessity Nos. 10559 and 20785, as recorded on the Texas Commission on Environmental Quality maps associated with those certificates. Those maps are incorporated in this section by reference.~~].

(b) The boundaries and field notes contained in Section .12 of the Act enacted by the 80th Legislature,



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Quality takes the action required by Subsection (e), the court shall terminate the receivership.

SECTION \_\_.04. Section 7201.022, Special District Local Laws Code, is amended to read as follows:

Sec. 7201.022. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2010 [2008].

SECTION \_\_.05. Sections 7201.051(a) and (b), Special District Local Laws Code, are amended to read as follows:

(a) The temporary board consists of seven [The directors of the corporation who hold office on the effective date of the Act enacting this chapter shall serve as the temporary] directors who shall serve [of the district] until successor directors are elected and qualify for office.

(b) The temporary directors of the district consist of the following persons, who are assigned position numbers as follows:

- (1) Position 1, Janie G. Ramirez [Jose Luis Trigo];
- (2) Position 2, Ricardo Perez [Jose Guadalupe Reyna];
- (3) Position 3, Efren Garza [George Barreiro];
- (4) Position 4, Jerry Bell [Froilan Ramirez];
- (5) Position 5, Alton Moore [Russell Wicker];
- (6) Position 6, Marilou Prudencio [Benito Salinas]; and
- (7) Position 7, Everado Torres [Manuel Ricardo Garcia];
- [(8) Position 8, Valente Alaniz, Jr.; and
- [(9) Position 9, Juan Lino Garza].

SECTION \_\_.06. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.0512 and 7201.0513 to read as follows:

Sec. 7201.0512. TEMPORARY BOARD TRAINING.

Regular Session, 2007, amending this subsection form a closure. A mistake made in the field notes or in copying the field notes in the legislative process [~~preparation, copying, or filing of the maps described by Subsection (a) and on file with the Texas Commission on Environmental Quality~~] does not affect:

- (1) the organization, existence, or validity of the district;
  - (2) the right of the district to issue bonds;
- or
- (3) the legality or operation of the district.

(d) The territory of the district does not include and the district does not have jurisdiction over land that has never been in the service area of the corporation regardless of any erroneous inclusion of that land in the boundaries and field notes in Section 9.12 of the Act enacted by the 80th Legislature, Regular Session, 2007, amending this section.

SECTION 9.05. Section 7201.021, Special District Local Laws Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (f) to read as follows:

(a) Except as provided by this subsection, after the appointment of initial directors under Section 7201.051, the receiver for the corporation [~~On the effective date of the Act enacting this chapter, the corporation~~] shall transfer the assets, debts, and contractual rights and obligations of the corporation, including all legal claims against the corporation in

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(a) Before December 31, 2007, each temporary director shall complete at least 12 hours of training on district management and compliance with laws applicable to the district as determined by the receiver for the corporation.

(b) The district shall reimburse a temporary director for the reasonable expenses incurred by the director in attending the training.

Sec. 7201.0513. EDUCATION PROGRAM. (a) Before the first election of directors, the temporary board shall establish a program of education for directors that includes information on:

(1) the history of the district;

(2) the district's enabling legislation;

(3) Chapters 49 and 65, Water Code, and other laws that apply to the district, including the requirements of the:

(A) open meetings law, Chapter 551, Government Code; and

(B) public information law, Chapter 552, Government Code;

(4) relevant legal developments related to water district governance;

(5) the legal duties and responsibilities of the board;

(6) the requirements of conflict of interest laws and other laws relating to public officials; and

(7) any applicable ethics policies adopted by the Texas Commission on Environmental Quality or the Texas Ethics Commission.

(b) The district shall pay any costs associated with the development of the education program from district revenue.

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effect on the date of the transfer, to the district and provide notices and make recordings of the transfer required by the Water Code and general law. If the transfer of any debt requires the permission of the lender, the receiver shall initiate proceedings to obtain that permission.

(b) In accordance with the orders of the receivership court and not ~~[Not]~~ later than the 30th day after the date of the transfer under Subsection (a), the receiver for ~~[board of directors of]~~ the corporation shall commence dissolution proceedings of the corporation.

(d) The receiver for ~~[board of directors of]~~ the corporation shall notify the Texas Commission on Environmental Quality of the dissolution of the corporation and its succession in interest by ~~[the creation of]~~ the district in order ~~[to replace it]~~ to effect the transfer of Certificates of Convenience and Necessity Nos. 10559 and 20785 to the district.

(f) After the Texas Commission on Environmental Quality takes the action required by Subsection (e), the court shall terminate the receivership.

SECTION 9.06. Section 7201.022, Special District Local Laws Code, is amended to read as follows:

Sec. 7201.022. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012 ~~[2008]~~.

SECTION 9.07. Section 7201.051, Special District Local Laws Code, is amended to read as follows:

Sec. 7201.051. APPOINTMENT OF INITIAL ~~[TEMPORARY]~~ DIRECTORS. (a) As soon as

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(c) The education program may include training provided by an organization offering courses that have been approved by the Texas Commission on Environmental Quality.

(d) The board may adopt bylaws modifying the education program as necessary to meet district needs.

SECTION \_\_.07. Section 7201.052, Special District Local Laws Code, is amended by amending Subsections (a), (f), (g), and (h) and adding Subsections (i), (j), and (k) to read as follows:

(a) The district shall be governed by a board of seven [not fewer than nine and not more than 11] directors[, elected in accordance with Section 49.103, Water Code, notwithstanding Subsection (f)(2) of that section].

(f) On the uniform election date in May 2008, or in May 2009, if the election is postponed under Subsection (i) [2006], and on that uniform election date every third year after that date, the district shall hold an election to elect two [three] directors to serve in positions 1[, 4,] and 2 [7].

(g) On the uniform election date in May 2009, or in May 2010, if the election is postponed under Subsection (i) [2007], and on that uniform election date every third year after that date, the district shall hold an election to elect two [three] directors to serve in positions [2,] 3[,] and 4 [5].

(h) On the uniform election date in May 2010, or in May 2011, if the election is postponed under Subsection (i) [2008], and on that uniform election date every third year after that date, the district shall hold an election to elect

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practicable after the effective date of the Act enacted by the 80th Legislature, Regular Session, 2007, amending this section, seven initial directors shall be appointed as provided by this section [~~The directors of the corporation who hold office on the effective date of the Act enacting this chapter shall serve as the temporary directors of the district until successor directors are elected and qualify for office~~].

(b) To be eligible to be appointed as an initial director, an individual must meet the same requirements as a candidate for an elected position as director under Section 7201.052. The initial directors shall be appointed as follows:

(1) one director to represent the residents of the district in the city of Mission appointed by the governing body of that city;

(2) one director to represent the residents of the district in the city of Palmview appointed by the governing body of that city;

(3) one director to represent the residents of the district in the city of Penitas appointed by the governing body of that city;

(4) one director to represent the residents of the district in the city of Sullivan City appointed by the governing body of that city; and

(5) three directors to represent the residents of the district outside the municipalities listed in Subdivisions (1)-(4) appointed by the Hidalgo County Commissioners Court [~~The temporary directors of the district are assigned position numbers as follows:~~

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three directors to serve in positions 5, 6, [8,] and 7 [9].  
(i) The temporary board by order may postpone until the uniform election date in May of the following year the first election for directors under each of Subsections (f), (g), and (h) if the temporary board determines that there is not sufficient time to comply with the requirements of law and to order the first election of directors to be held on the first uniform date specified by Subsection (f).  
(j) A director may not serve consecutive terms.  
(k) A person who has served as a member of the board of directors of the corporation is not eligible to serve as a district director.  
SECTION \_\_.08. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.053 and 7201.054 to read as follows:  
Sec. 7201.053. DISTRICT TREASURER. (a) The board shall elect from among its members one director to serve as district treasurer.  
(b) The district treasurer shall comply with the training requirements provided by Section 49.1571, Water Code, for an investment officer of a district.  
Sec. 7201.054. EDUCATION FOR DIRECTORS. (a) Each elected director shall complete the education program established under Section 7201.0513 before the first anniversary of the date on which the director was elected.  
(b) The district shall reimburse a director for the reasonable expenses incurred by the director in attending the education program.  
(c) A director who is elected to serve a subsequent term

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~~[(1) Position 1, Jose Luis Trigo;~~  
~~[(2) Position 2, Jose Guadalupe Reyna;~~  
~~[(3) Position 3, George Barreiro;~~  
~~[(4) Position 4, Froilan Ramirez;~~  
~~[(5) Position 5, Russell Wicker;~~  
~~[(6) Position 6, Benito Salinas;~~  
~~[(7) Position 7, Manuel Ricardo Garcia;~~  
~~[(8) Position 8, Valente Alaniz, Jr.; and~~  
~~[(9) Position 9, Juan Lino Garza].~~  
(c) An initial director serves a term that expires on June 1 of the year in which the director's successor is elected under Section 7201.052 [If there is a vacancy on the temporary board of directors of the district, the temporary board shall appoint a person to fill the vacancy for the remainder of the term for the vacated position until the applicable election under Section 7201.052].  
SECTION 9.08. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.0512 and 7201.0513 to read as follows:  
Sec. 7201.0512. INITIAL BOARD TRAINING.  
(a) Not later than the 60th day after the first date on which all of the initial directors have been appointed, each initial director shall complete at least 12 hours of training on district management and compliance with laws applicable to the district as determined by the receiver for the corporation.  
(b) The district shall reimburse an initial director for the reasonable expenses incurred by the director in attending the training.

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shall fulfill the education requirements specified by district bylaws.

SECTION \_\_.09. (a) Except as otherwise provided by Chapter 7201, Special District Local Laws Code, as amended by this article, the La Joya Special Utility District is subject to:

(1) any judicial or administrative order imposing an injunction against the La Joya Water Supply Corporation that is in effect on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this article; or

(2) any judicial or administrative order imposing liability for monetary damages or a civil or administrative penalty against the La Joya Water Supply Corporation that is unsatisfied on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this article.

(b) This section does not relieve a person who served on the board of directors of the La Joya Water Supply Corporation of any individual or joint and several liability imposed by a court of this state for actions taken by that person on behalf of the corporation or prevent the La Joya Special Utility District from filing a claim for damages against that person.

(c) If the La Joya Special Utility District pays a claim of a person against the La Joya Water Supply Corporation, the district is subrogated to any rights of that person against the corporation to the extent of the amount paid to that person.

SECTION 10. (a) The legal notice of the intention to

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Sec. 7201.0513. EDUCATION PROGRAM. (a) Before the first election of directors under Section 7201.052, the initial board shall establish a program of education for directors that includes information on:

(1) the history of the district;

(2) the district's enabling legislation;

(3) Chapters 49 and 65, Water Code, and other laws that apply to the district, including the requirements of the:

(A) open meetings law, Chapter 551, Government Code; and

(B) public information law, Chapter 552, Government Code;

(4) relevant legal developments related to water district governance;

(5) the duties and responsibilities of the board;

(6) the requirements of conflict of interest laws and other laws relating to public officials; and

(7) any applicable ethics policies adopted by the Texas Commission on Environmental Quality or the Texas Ethics Commission.

(b) The district shall pay any costs associated with the development of the education program from district revenue.

(c) The education program may include training provided by an organization offering courses that have been approved by the Texas Commission on Environmental Quality.

(d) The board may adopt bylaws modifying the

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introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

SECTION 11. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

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education program as necessary to meet district needs.

SECTION 9.09. Section 7201.052, Special District Local Laws Code, is amended to read as follows:

Sec. 7201.052. BOARD OF DIRECTORS. (a) Except as provided by Subsection (1), the ~~[The]~~ district shall be governed by a board of seven ~~[not fewer than nine and not more than 11]~~ directors, elected as follows:

(1) one director elected by the voters of the part of the city of Mission inside the district to represent that part of the city;

(2) one director elected by the voters of the city of Palmview to represent that city;

(3) one director elected by the voters of the city of Penitas to represent that city;

(4) one director elected by the voters of the city of Sullivan City to represent that city; and

(5) three directors elected at-large to numbered positions on the board by the district voters who do not reside in any of the municipalities listed in Subdivisions (1)-(4) to represent the part of the district that is not included in those municipalities, unless the number of at-large directors is increased under Subsection (1) [in accordance with Section 49.103, Water Code, notwithstanding Subsection (f)(2) of that section].

(b) A ~~[Except for a temporary director under Section 7201.051, a]~~ candidate for one of the numbered ~~[a position as]~~ director positions:

(1) [is elected at large to represent the entire service area of the district;

[2)] must reside in the part of the service

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area of the district that is not included in any of the municipalities listed in Subsections (a)(1)-(4); and

(2) [(3)] must be eligible to hold office under Section 141.001, Election Code.

(c) A candidate for one of the director positions representing a municipality listed in Subsection (a)(1), (2), (3), or (4):

(1) must reside in the municipality the candidate seeks to represent; and

(2) must be eligible to hold office under Section 141.001, Election Code.

(d) It is the policy of the district that the directors shall represent and reside in as broad a cross-section of the geographic area of the district as possible.

(e) [(d)] The district shall fill a vacancy on the board in accordance with Section 49.105, Water Code.

(f) [(e)] Except for the initial [temporary] directors appointed [listed] under Section 7201.051 or elected at the first election under Subsection (g), directors serve staggered terms of four [three] years.

(g) [(f)] On the uniform election date in May 2008, or in May 2010, if the election is postponed under Subsection (h), the district shall hold an election to elect seven directors. On the [2006, and on that] uniform election date in May of each even-numbered [every third] year after that date, the district shall hold an election to elect the appropriate number of [three] directors [to serve in positions 1, 4, and 7].

(h) The initial board by order may postpone until the uniform election date in May 2010 the first election

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for directors under Subsection (g) if the initial board determines that there is not sufficient time to comply with the requirements of law and to order the election of directors to be held on the first uniform election date specified by that subsection.

(i) The directors elected at the first election under Subsection (g) shall cast lots to determine which three directors shall serve terms expiring June 1 of the first even-numbered year after the year in which the directors are elected and which four directors shall serve terms expiring June 1 of the second even-numbered year after the year in which the directors are elected.

(j) A director may not serve consecutive terms.

(k) A person who has served as a member of the board of directors of the corporation is not eligible to serve as a district director.

(l) If, before the expiration of the term of a director elected to represent a municipality under Subsection (a)(1), (2), (3), or (4), the district determines that all of the incorporated territory of the municipality is outside the boundaries of the district, the position immediately becomes an at-large numbered position to be filled at the next general election of the district in accordance with Subsections (a)(5) and (b) [(g) On the uniform election date in May 2007, and on that uniform election date every third year after that date, the district shall hold an election to elect three directors to serve in positions 2, 3, and 5.

[(h) On the uniform election date in May 2008, and on that uniform election date every third year after



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~~that date, the district shall hold an election to elect three directors to serve in positions 6, 8, and 9].~~

SECTION 9.10. Subchapter B, Chapter 7201, Special District Local Laws Code, is amended by adding Sections 7201.053 and 7201.054 to read as follows:

Sec. 7201.053. DISTRICT TREASURER. (a) The board shall elect from among its members one director to serve as district treasurer.

(b) The district treasurer shall comply with the training requirements provided by Section 49.1571, Water Code, for an investment officer of a district.

Sec. 7201.054. EDUCATION FOR DIRECTORS. (a) Except for an initial director whose term expires in 2008, each director shall complete the education program established under Section 7201.0513 before the first anniversary of the date on which the director was appointed or elected.

(b) The district shall reimburse a director for the reasonable expenses incurred by the director in attending the education program.

(c) A director who is elected to serve a subsequent term shall fulfill the education requirements specified by district bylaws.

SECTION 9.11. Section 7201.206, Special District Local Laws Code, is amended to read as follows:

Sec. 7201.206. RATES AND FEES FOR SERVICES. (a) The district, in connection with water or sewer retail public utility services, shall establish lifeline, senior citizen, or minimum consumption level rates for services. The rate impact of such services shall be

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allocated on the basis of costs of services to achieve conservation principles, while securing necessary reserves for the payment of operating expenses, sinking funds, principal, interest, and debt coverage factors, and any other objective established by the district's annual budget.

(b) Chapter 395, Local Government Code, does not apply to any fee, charge, or assessment that, before the corporation's dissolution and conversion to a district, is adopted by the receiver for the purpose of generating revenue to fund or recoup the costs of capital improvements or facility expansions necessitated by and attributable to new developments.

(c) Notwithstanding Subsection (b), beginning on December 31, 2009, the district may not impose any fee, charge, or assessment that, before the corporation's dissolution and conversion to a district, is adopted by the receiver for the purpose of generating revenue to fund or recoup the costs of capital improvements or facility expansions necessitated by and attributable to new developments unless the district readopts the fee, charge, or assessment or adopts a new fee, charge, or assessment in accordance with Chapter 395, Local Government Code. This subsection does not apply to a retail water or sewer rate adopted by the receiver or the district.

SECTION 9.12. (a) Except for the areas excluded under Subsection (b) of this section, the boundaries of the Agua Special Utility District are as follows:

Beginning at a point in the centerline of FM 495

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(Mile 1 Road) a distance of approximately .18 miles west of the intersection of FM 495 and Inspiration Road.

Thence due north approximately 1.0 miles to a point approximately 166 feet south of the centerline of Mile 2 Road and approximately .18 miles west of the intersection of Mile 2 Road and Inspiration Road

Thence follow west along a straight westerly line approximately 180 feet south of Mile 2 Road approximately .51 miles to a point in the centerline of Schubach Road.

Following westerly in a straight line approximately .78 miles to the centerline of Bentsen Palm Drive.

From the point at the centerline of Bentsen Palm Road continue westerly approximately .78 miles to a point at 26 15 00 latitude and -98 22 10 longitude.

Turn right and due north and follow approximately 7.0 miles in a northerly direction .10 miles west and parallel to Bentsen Palm Drive to a point at 226 21 04 latitude and -98 21 06 longitude.

Turn left and follow westerly along a straight line a distance of approximately 1.66 miles to the intersection of Abram Road and 9 Mile Road.

Follow along the centerline of 9 Mile Road westerly approximately 1.65 miles to its intersection with Iowa Avenue. (Latitude: 26 21 31, Longitude: -98 24 16)

Continue westerly along a straight line from latitude 26 21 31, longitude -98 24 16 approximately 3.79 miles to the center line of FM 2221 ( Jara Chinas Road)

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Thence due south along FM 2221 ( Jara Chinas Road) approximate distance of 8.02 Miles to a point approximately .75 miles north of the Intersection of Expressway 83 and FM 2221( Jara Chinas Road)

Thence at a distance of approximately .75 miles north of the centerline of Expressway 83 due west to northwest approximately 4 miles following along the same contour as Expressway 83 to the centerline of El Faro Road from a point .62 miles east of the intersection of El Faro Road and Expressway 83.

Turn right and follow due north down the centerline of El Faro Road until its end and continue northerly for a total of approximately 2.79 miles to a point at latitude 26 19 13 and longitude -98 32 40.

Turn left and follow northwesterly in a straight line along the east side of 16 Mile Road (Starr County) approximately 1.87 miles to a point located at 26 19 30 latitude and -98 34 27 longitude.

Turn right and follow northeasterly in a straight line approximately 1.02 miles to a point located at 26 20 22 latitude and -98 34 17 longitude.

Turn right and follow southeasterly in a straight line approximately 1.26 miles to a point located at 26 20 22 latitude and -98 33 05 longitude.

Turn right and follow northeasterly in a straight line along the west side of County Line Road (Starr County) approximately .61 miles to a point located at 26 20 43 latitude and -98 32 60 longitude.

Turn left and follow northwesterly in a straight line approximately 1.26 miles to a point located at 26 20

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53 latitude and -98 34 12 longitude.

Turn right and follow northeasterly in a straight line along the east side of 16 Mile Road (Starr County) approximately 1.32 miles to a point located at 26 22 02 latitude and -98 33 59 longitude.

Turn left and follow northwesterly in a straight line approximately .55 miles to a point located at 26 22 07 latitude and -98 34 30 longitude.

Turn left and follow southwesterly in a straight line approximately 6.17 miles to a point located at 26 16 48 latitude and -98 35 29 longitude.

Turn left and follow southeasterly in a straight line approximately .91 miles to a point located at 26 16 30 latitude and -98 34 40 longitude, near the Hidalgo-Starr County line.

Turn right and follow southwesterly along the Hidalgo-Starr County line approximately 1.28 miles to its intersection with the Rio Grande River (U.S. side).

Thence due south approximately 7.77 miles to the northern winding banks (U.S. side) of the Rio Grande River

Thence east along the northern winding banks ( US side ) of the Rio Grande River approximately 22 miles to a point approximately 1.16 miles south of Greene Road

Thence from that center line on Bentsen Park Road approximately .82 miles east northeast to the centerline of Breyfogle/Shuerbach Road

Turn left and follow westerly in a straight line approximately .56 miles to a point located 26 11 20

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latitude and -98 22 30 longitude.

Turn left and follow southerly in a straight line approximately .50 miles to the centerline of Military Road.

Turn right and follow northerly and then northwesterly along the north side of Military Road approximately .36 miles to its intersection with Farm-to-Market Road 2062.

Turn left and follow southerly along Farm-to-Market Road 2062 approximately .16 miles to a point located at 26 11 02 latitude and -98 22 46 longitude.

Turn right and follow northerly, westerly, southerly, southwesterly, northerly, westerly and then southwesterly for approximately 1.27 miles to a point located at 26 11 11 latitude and -98 23 38 longitude running just north of Park Road 43.

Turn right and follow northeasterly along a straight line for approximately .71 miles to the north side of Military Road.

Turn left and follow along westerly approximately .44 miles along the north side of Military Road to its intersection with Goodwin Road.

Turn right and follow northerly along the centerline of Goodwin Road approximately .33 miles to a point located at 26 12 07 latitude and -98 23 53 longitude.

Turn right and follow easterly, northerly, easterly and then southeasterly approximately .78 miles to the intersection with Green Road.

Turn left and follow northerly along the

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centerline of Green Road approximately .32 miles.

Turn right and follow easterly and then southwesterly approximately 1.16 miles to the north side of Military Road at points 26 11 42 latitude and -98 23 16 longitude.

Turn left and follow southeasterly along the north side of Military Road approximately 0.07 miles to a point located at 26 11 40 latitude and -98 23 13 longitude.

Turn left and follow northeasterly, northerly, northeasterly, northerly, northeasterly, easterly, southerly and then easterly approximately 2.04 miles to the centerline of Shuebach Road/Airfield Road

Turn left and follow northeasterly along the centerline of Airfield Road approximately 1.48 miles to its intersection with U.S. Highway 83 Business.

Turn right and follow easterly along the centerline of U.S. Highway 83 Business approximately .27 miles to its intersection with Moorefield Road.

Turn left and follow northerly along the centerline of Moorefield Road approximately .32 miles to a point located at 26 13 23 latitude and -98 21 21 longitude.

Make a slight right and follow northeasterly and then northerly along the west banks of the Edinburg Main Canal approximately .66 miles to that point on the centerline of FM 495 the beginning (Mile 1 Road) a distance of approximately .18 miles west of the intersection of FM 495 and Inspiration Road to Close.

(b) The territory of the Agua Special Utility

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District does not include the area within the city limits of La Joya, Texas, as it existed on January 1, 1991; the area within the Certificate of Convenience and Necessity of Hidalgo County Municipal Utility District No. 1 as reflected on the records of the Texas Commission on Environmental Quality as of January 1, 2007; and the area within the following boundary lines, which lie wholly within the district:

Beginning at a point located at 26 14 57 Latitude and -98 25 55 Longitude follow in a northwesterly direction along an unnamed creek approximately .23 Miles to a point located at 26 15 03 Latitude and -98 26 05 Longitude.

From the point located at 26 15 03 Latitude and -98 26 05 Longitude follow in a westerly direction along an unnamed creek approximately .24 Miles to a point located at 26 15 04 Latitude and -98 26 19 Longitude.

From the point located at 26 15 04 Latitude and -98 26 19 Longitude turn right and follow in a straight line northeasterly approximately .97 Miles to a point located at 26 15 54 Latitude and -98 26 09 Longitude.

From the point located at 26 15 54 Latitude and -98 26 09 Longitude turn right and follow in a straight line easterly-southeasterly approximately .43 Miles to a point located at 26 15 50 Latitude and -98 25 45 Longitude.

From a point located at 26 15 50 Latitude and -98 25 45 Longitude turn right and follow in a straight line southwesterly approximately 1.03 Miles to a point located at 26 14 57 Latitude and -98 25 55 Longitude and



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Place of Beginning.

SECTION 9.13. Initial directors of the board of the Agua Special Utility District shall be appointed in accordance with Section 7201.051, Special District Local Laws Code, as amended by this Act, as soon as practicable after the effective date of this Act.

SECTION 9.14. Except as otherwise provided by Chapter 7201, Special District Local Laws Code, as amended by this Act, the Agua Special Utility District is subject to:

(1) any judicial or administrative order imposing an injunction against the La Joya Water Supply Corporation that is in effect on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this Act; or

(2) any judicial or administrative order imposing liability for monetary damages or a civil or administrative penalty against the La Joya Water Supply Corporation that:

(A) results from a legal proceeding that is pending on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this Act; or

(B) is unsatisfied on the date of the transfer under Section 7201.021, Special District Local Laws Code, as amended by this Act.

SECTION 9.15. (a) The legal notice of the intention to introduce the article of this Act that amends Chapter 7201, Special District Local Laws Code, setting forth the general substance of the article, has been

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published as provided by law, and the notice and a copy of the article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

SECTION 9.16. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

No equivalent provision.

ARTICLE \_\_. TRUE RANCH MUNICIPAL UTILITY  
DISTRICT NO. 1

ARTICLE 10. Same as House version.

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No equivalent provision.

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SECTION \_\_.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8269 to read as follows:

CHAPTER 8269. TRUE RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8269.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a board member.

(3) "District" means the True Ranch Municipal Utility District No. 1.

Sec. 8269.002. NATURE OF DISTRICT. The district is a municipal utility district in Hays County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8269.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8269.023 before September 1, 2012:

(1) the district is dissolved September 1, 2012, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Hays County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2015.

Sec. 8269.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property in

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SECTION 10.01. Same as House version..

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the district will benefit from the works and projects to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution.

(b) The district is created to serve a public use and benefit.

Sec. 8269.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section .02 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section .02 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the right of the district to issue bonds, notes, or other indebtedness or to pay the principal of and interest on a bond;

(4) the validity of the district's bonds, notes, or other indebtedness; or

(5) the legality or operation of the district or the board.

[Sections 8269.006-8269.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8269.021. TEMPORARY DIRECTORS. (a) On or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) The commission shall appoint as temporary directors

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the five persons named in the first petition received by the commission under Subsection (a).

(c) If a temporary director fails to qualify for office or if a vacancy occurs in the office of temporary director, the vacancy shall be filled as provided by Section 49.105, Water Code.

(d) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8269.023; or

(2) the date this chapter expires under Section 8269.003.  
Sec. 8269.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Hays County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 8269.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

(b) Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Sec. 8269.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8269.023

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shall draw lots to determine which two serve until the first regularly scheduled election of directors under Section 8269.052 and which three shall serve until the second regularly scheduled election of directors.  
Sec. 8269.025. DATE OF FIRST REGULARLY SCHEDULED ELECTION OF DIRECTORS. The board by order may postpone the first election under Section 8269.052 following the confirmation and initial directors' election held under Section 8269.023 if:  
(1) the election would otherwise occur not later than the 60th day after the date on which the confirmation election is held; or  
(2) the board determines that there is not sufficient time to comply with the requirements of law and to order the election.  
Sec. 8269.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2015.  
[Sections 8269.027-8269.050 reserved for expansion]  
SUBCHAPTER B. BOARD OF DIRECTORS  
Sec. 8269.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.  
(b) Directors serve staggered four-year terms.  
Sec. 8269.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.  
[Sections 8269.053-8269.100 reserved for expansion]  
SUBCHAPTER C. POWERS AND DUTIES  
Sec. 8269.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to

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accomplish the purposes for which the district is created.  
Sec. 8269.102. MUNICIPAL UTILITY DISTRICT  
POWERS AND DUTIES. The district has the powers  
and duties provided by the general law of this state,  
including Chapters 49 and 54, Water Code, applicable to  
municipal utility districts created under Section 59,  
Article XVI, Texas Constitution.  
Sec. 8269.103. ROAD PROJECTS. (a) To the extent  
authorized by Section 52, Article III, Texas Constitution,  
the district may construct, acquire, improve, maintain, or  
operate arterials or main feeder roads or improvements in  
aid of those roads.  
(b) A road project must meet all applicable construction  
standards, zoning and subdivision requirements, and  
regulatory ordinances of the municipality or county in  
whose jurisdiction the district is located.  
Sec. 8269.104. COMPLIANCE WITH MUNICIPAL  
CONSENT ORDINANCES OR RESOLUTIONS.  
Subject to the limitations of Section 54.016, Water Code,  
the district shall comply with all valid and applicable  
requirements of any ordinance or resolution adopted by a  
municipality in the corporate limits or extraterritorial  
jurisdiction of which the district is located, including an  
ordinance or resolution adopted before September 1,  
2007, that consents to the creation of the district or to the  
inclusion of lands within the district.  
[Sections 8269.105-8269.150 reserved for expansion]  
SUBCHAPTER D. GENERAL FINANCIAL  
PROVISIONS  
Sec. 8269.151. ELECTIONS REGARDING TAXES

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OR BONDS. (a) Except as provided by Section 8269.201(b), the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8269.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8269.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

[Sections 8269.153-8269.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8269.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) The district may not issue bonds to finance projects authorized by Section 8269.103 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that



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purpose.  
(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8269.103 may not exceed one-fourth of the assessed value of the real property in the district.  
Sec. 8269.202. TAXES FOR BONDS. At the time bonds payable wholly or partly from ad valorem taxes are issued:  
(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and  
(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:  
(A) pay the interest on the bonds as the interest becomes due;  
(B) create a sinking fund for the payment of the principal of the bonds when due or the redemption price at any earlier required redemption date; and  
(C) pay the expenses of imposing the taxes.

No equivalent provision.

SECTION \_\_.02. Delineates the territory of The True Ranch Municipal Utility District No. 1.

SECTION 10.02. Same as House version.

No equivalent provision.

SECTION \_\_.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to

SECTION10.03. Same as House version.

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which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

No equivalent provision.

SECTION \_\_.04. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

SECTION 10.04. Same as House version.

[No equivalent bill SECTIONS.]

[Bill SECTIONS unassigned to an ARTICLE follow.]

Same as Senate version.

No equivalent provision.

SECTION \_\_. Chapter 221, Water Code, is amended by adding Section 221.020 to read as follows:

Sec. 221.020. SALE OF LOTS SUBJECT TO RESIDENTIAL AND COMMERCIAL LEASES. (a)  
The legislature finds that to insure the authority has

Same as Senate version.

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sufficient capital to manage and preserve its water resources, the authority should sell certain lands that are not used to develop and manage the water resources of the authority. In this section:

(1) "1980 FERC Order Amending License" means the modifying order issued by the Federal Energy Regulatory Commission in 1980 that removed from the project land the lots that were leased by the authority to residential and commercial leaseholders.

(2) "Buffer zone" means the strip of land abutting the lake as identified and defined in the FERC order.

(3) "Commercial leaseholder" means a person who, on or before the effective date of the Act enacting this section, leases a lot in the immediate vicinity of the lake from the authority to sublet for predominantly residential purposes, including a lot:

(A) subject to a lease that commenced on or before January 1, 1983;

(B) located on an island surrounded by water; and

(C) on which residential and other improvements have been constructed.

(4) "FERC order" means the order of the Federal Energy Regulatory Commission issuing a license to the authority for project number 1490-003-Texas.

(5) "Lake" means Possum Kingdom Lake.

(6) "Project land" means the land identified and defined by the FERC order. Except as provided by this section, project land does not include the lots offered for sale under this section to residential and commercial leaseholders.

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(7) "Residential leaseholder" means a person who, on or before the effective date of the Act enacting this section, leases a lot in the immediate vicinity of the lake from the authority for residential purposes. The term does not include a person who temporarily leases project land.

(b) A leaseholder may purchase the leased lot as provided by this section.

(c) Not later than the 90th day after the effective date of the Act enacting this section, the authority shall provide to residential and commercial leaseholders a form for an application of intent to purchase the lot subject to the leaseholder's lease. A leaseholder who desires to purchase a lot must submit to the authority a completed application that includes the appraisal required under Subsection (d) and the survey required under Subsection (e). Until February 1, 2008, the authority shall give preference in processing applications to any applicant who receives an ad valorem tax exemption under Section 11.13, Tax Code, for a structure on the applicant's lot. The authority shall accept and process applications in the order in which they are received.

(d) Before September 1, 2017, a lot sold under this section must be sold for not less than the fair market value of the unencumbered fee simple estate with an offset of 10 percent for the value of the leasehold interest. On or after September 1, 2017, a lot sold under this section must be sold for not less than the fair market value of the unencumbered fee simple estate. The purchaser shall select a disinterested appraiser certified under Chapter 1103, Occupations Code, to determine the

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fair market value as of January 1 of the year in which the application of intent to purchase is submitted to the authority. The appraiser shall complete the appraisal and send the completed appraisal to the prospective purchaser not later than the 60th day after the date of the appraiser's selection. If an appraisal is disputed, the General Land Office shall review the appraisal for compliance with the most recently published Uniform Standards of Professional Appraisal Practice and for mathematical accuracy. If the authority disputes the fair market value determined by the appraisal, the authority may employ another disinterested appraiser who satisfies the requirements of this subsection to conduct a second appraisal. The second appraisal must be completed and sent to the authority and to the prospective purchaser not later than the 60th day after the date the authority rejects the initial appraisal. If the purchaser rejects the value determined by the second appraiser, the two appraisers shall meet and attempt to reach an agreement on the fair market value not later than the 30th day after the date the purchaser receives the authority's appraisal. If the two appraisers fail to reach agreement on or before the 10th day after the date of the meeting, not later than the 20th day after the date of the meeting the authority shall request that the comptroller appoint a disinterested third appraiser who satisfies the requirements of this subsection to reconcile the two previous appraisals. The third appraiser's report must be completed on or before the 30th day after the date of the third appraiser's appointment, and the fair market value determined by the

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third appraiser is final and binding on all parties. The appraisal costs must be paid by the person who requests the appraisal, except that the purchaser and the authority shall each pay one-half of the cost of the third appraisal if a third appraisal is necessary. An appraisal may not include consideration of a freeze or other suspension of lease rate increases for the homestead of a person who is 65 years of age or older and may not take into account the value of any improvements constructed on the lot or over the water that are the property of the prospective purchaser. If the closing of the sale of the lot does not occur on or before the 60th day after the date on which the fair market value is agreed to or is determined by the third appraiser, the application of intent to purchase is terminated.

(e) A prospective purchaser of a lot is responsible for:

(1) a survey of the lot that:

(A) is prepared by a licensed state land surveyor or a registered professional land surveyor;

(B) is dated not earlier than the date one year before the effective date of the Act enacting this section, except that a survey dated before that date is considered acceptable if accompanied by an affidavit signed by the leaseholder stating facts that indicate that:

(i) improvements have not been made to the property that would change the submitted survey; and

(ii) the survey would be acceptable to a title company for purposes of issuing a policy of title insurance; and

(C) includes a depiction of the lot that shows the 1,000-foot contour line, project land as it crosses the property,

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property boundaries, structures on the property, and any roads that cross the property;

(2) all reasonable, normal, customary, and documented closing costs associated with the sale of the lot; and

(3) if applicable, reasonable and necessary costs incurred and documented by the authority for Federal Energy Regulatory Commission approval of the sale of the lot to be purchased under this section.

(f) A lease in effect on the date an application of intent to purchase a lot is submitted under Subsection (c) remains in effect until the sale of the lot is completed or terminated. A lease of the lot expires on the date the sale of the lot is completed.

(g) If a leaseholder decides not to purchase the lot, the leaseholder shall submit a purchase application form waiver and indicate on the form that the leaseholder wishes to continue leasing the lot and to affirm the understanding that the right of a prospective purchaser or transferee, to purchase the lot must be exercised on transfer of the property to any party not subject to the lease existing on the date of the purchase application form waiver unless the transferee is an heir or devisee. If the leaseholder of record is a partnership, family trust, or other legal entity other than an individual, the right to purchase a lot must be exercised on a change in the majority ownership of the entity. The waiver shall be memorialized in a written affirmation signed by all parties to the existing lease, or any subsequent lease, and appended as an amendment to the lease. If a leaseholder submits a waiver under this subsection, on the sale of the

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lot, the fair market value of the lot must be determined as of January 1 of the year in which the property is sold or transferred. If a lien holder acquires a leasehold estate through foreclosure, deed in lieu of foreclosure, voluntary surrender through bankruptcy, involuntary surrender through bankruptcy, or any other transfer that relates to a lien holder's rights, the lien holder is exempt from this subsection for five years after the date of acquisition of the leasehold estate. Any subsequent transfer of the leasehold estate by the lien holder to another party is exempt from this subsection, and the transferred lease continues in effect for the remainder of its term.

(h) A lot sold under this section is subject to all existing restrictions, including any applicable easements, placed on the lot by the Federal Energy Regulatory Commission under the FERC order, if any, but does not include the terms of the existing lease except as provided by this section.

(i) A residential lot sold under this section may be used only for a single-family residential structure and related facilities and only for normal residential, noncommercial, recreational use and enjoyment.

(j) If applicable, a commercial leaseholder that purchases a lot and sublets the lot for residential use shall comply with Section 94.204, Property Code. A lot subject to a commercial lease that is purchased under this section must continue to be used for the purpose in effect at the time of the purchase unless the lot is subdivided for single-family residential use.



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(k) The sale of a lot under this section does not include any buffer zone that abuts the lot and is part of the project land. Subject to approval by the Federal Energy Regulatory Commission, the authority shall grant a person who purchases a lot an easement for use of the buffer zone that abuts the lot. The authority shall retain ownership of the buffer zone and exercise control over the buffer zone consistent with the FERC order. An easement granted to a purchaser must be limited to uses permitted under the terms of the FERC order and the authority's shoreline management plan and must be consistent with the use allowed since the implementation of the buffer zone.

(l) Except as provided by this subsection, the owner of a lot sold under this section shall pay the authority any reasonable fees set by the authority for any services the authority provides. The board shall set the fees annually when it adopts the operating budget for the authority. The owner of a lot is not obligated to accept or pay for services from the authority that are provided by another public or private entity.

(m) If an existing road on land owned by the authority connects a county road to a lot sold under this section, the authority may not deny a person access to that road. The authority does not have a duty to maintain any road.

(n) A purchaser of a lot under this section shall comply with:

(1) the authority's "Shoreline Management Plan and Customer Guide," and any amendments to that document to the extent the plan applies to the buffer zone and any

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other land retained by the authority;  
(2) the applicable rules, regulations, and orders of the  
Federal Energy Regulatory Commission;  
(3) the authority's "Regulations for Governance for  
Brazos River Authority Lakes and Associated Lands," as  
published on the authority's Internet website; and  
(4) other rules and regulations adopted by the authority  
regarding conduct on and use of the lake or land owned  
by the authority.  
(o) To maintain the quality of the lake's water and of the  
environment in the lake's vicinity, a person who  
purchases a lot under this section agrees to:  
(1) obtain the written consent of the authority before  
altering the natural drainage of the terrain within the  
project land or buffer zone;  
(2) comply with any local, state, or federal laws related  
to water quality or the environment, including laws  
governing toxic wastes and hazardous substances;  
(3) pay the cost of obtaining any Federal Energy  
Regulatory Commission approvals required for  
improvements not present on the lot on the date sold that  
are the property of the purchaser and on project land; and  
(4) connect to and use, at the lot owner's expense, any  
wastewater treatment system that becomes available to  
lot owners and lessees, not later than 24 months after the  
system becomes available.  
(p) A leaseholder who purchases a lot under this section  
may not remove or disturb, or cause or permit to be  
removed or disturbed, any historical, archaeological,  
architectural, or other cultural artifact, relic, remains, or

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object of antiquity. If such an item is discovered on the lot, the lot owner shall immediately notify the authority and protect the site and the item from further disturbance until the authority gives written clearance to proceed.

(q) A leaseholder who purchases a lot under this section agrees that the water level in the lake varies and that the authority is not responsible for keeping the lake full.

(r) The authority reserves the right to modify Morris Sheppard (Possum Kingdom) Dam so that the water surface elevation of the lake is raised from 1,000 feet above mean sea level to 1,015 feet above mean sea level. The authority is not responsible or liable for any personal injury or damage to a lot or improvements on the lot caused by the resultant increase in the water level or caused by natural flooding.

(s) The authority reserves the right of ingress and egress for a person authorized by the authority, including an authority agent or employee, over and across a lot purchased under this section for all reasonable purposes of the authority, including the construction of any roads, drainage facilities, and power, water, gas, and other utility mains and lines that the authority considers necessary. The authority agrees to repair, or compensate the lot owner for, any damage it causes under this subsection and to compensate the lot owner for any property it takes under this subsection.

(t) The authority reserves its interest in all oil, gas, and other minerals in and under the real property sold under this section.

(u) The authority may use the proceeds from the sale of

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lots under this section for any authority purpose.

(v) If the owner of a lot sold under this section does not comply with this section, the authority may seek any available legal remedy.

(w) The following laws do not apply to the sale of a lot under this section:

(1) Chapters 232 and 272, Local Government Code;

(2) Section 49.226, Water Code; and

(3) Section 221.013, Water Code.

(x) In the event of a dispute arising under this section between the authority and a person who purchases a lot under this section, the prevailing party is entitled to recover court costs and any reasonable attorney's fees.

(y) A provision that applies to the purchaser of a lot under this section applies to any subsequent owner of the lot.

( ) The prospective purchaser at closing shall pay any indebtedness secured by a lien on the property or execute a document provided by the lien holder that grants the lien holder a lien on the fee simple estate in the lot that has the same priority as the lien in the leasehold estate.

The prospective purchaser may not grant a purchase money lien on the fee simple estate in the lot without the express written consent of the holder of the lien on the leasehold estate in the lot.

No equivalent provision.

SECTION \_\_\_\_ Section 221.020, Water Code, as added by this Act, prevails to the extent that it conflicts with any other state law.

Same as Senate version.

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No equivalent provision.	SECTION __. (a) Except as provided by Subsection (b) of this section, Section 221.020, Water Code, as added by this Act, takes effect September 1, 2007. (b) Section 221.020(g), Water Code, as added by this Act, takes effect September 1, 2011.	Same as Senate version.
No equivalent provision.	SECTION __. Section XXXXXX, is amended by adding Section (a) and (b): <u>(a) The creation of a Fresh Water Supply District by a county between June 1, 2005, and December 31, 2006, is validated and confirmed in all respects as of the dates of the creation occurred. The creation may not be held invalid because it was not performed in compliance with Chapter 53, Water Code.</u> <u>(b) This Section does not apply to an act or proceeding which is the subject of litigation that is pending on the effective date of this Act or an act or proceeding that, under a statute of this state or the United States was a misdemeanor or felony at the time the act or proceeding occurred.</u>	Same as Senate version.
No equivalent provision.	SECTION __. Subchapter C, Chapter 365, Health and Safety Code, is amended by adding Section 365.035 to read as follows: <u>Sec. 365.035. PROHIBITION ON POSSESSING GLASS CONTAINERS WITHIN BOUNDARY OF STATE-OWNED RIVERBED; PENALTIES. (a) A person commits an offense if the person possesses a glass container within the boundaries of a state-owned riverbed. An offense under this section is a Class C</u>	Same as Senate version.

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misdemeanor unless it is shown on the trial of the defendant that the defendant has previously been convicted of an offense under this section, in which case the offense is a Class B misdemeanor.

(b) It is a defense to prosecution under Subsection (a) that the person who possessed the glass container:

(1) did not transport the glass container into the boundaries of the riverbed; or

(2) possessed the glass container only for the purpose of lawfully disposing of the glass container in a designated waste receptacle.

(c) It is an exception to the application of Subsection (a) that the person possessed the glass container only for the purpose of water sampling or conducting scientific research:

(1) as authorized by:

(A) governmental entity;

(B) a utility as defined by Section 11.004, Utilities Code;

or

(C) a retail public utility as defined by Section 13.002, Water Code; or

(2) as necessary to comply with state or federal requirements.

ARTICLE 5. Effective date.

ARTICLE 5. Same title as Senate version.

ARTICLE 14. Same title as Senate version.

SECTION 5.01. Except as otherwise provided by this Act, this Act takes effect September 1, 2007.

SECTION 5.01. Same as Senate version.

SECTION 14.01. Same as Senate version.